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U.S. Surgeons Help in China

Rich Area for Cancer Research

By John Pomfret
Washington Post Service

LINZHOU, China — In a simple red-brick health center here, next to a metalworking shop that could be straight out of the Middle Ages, American and Chinese physicians operated recently on Chinese peasants with state-of-the-art medical equipment to treat cancer of the esophagus.

For centuries, what the Chinese call "the swallowing disease" has been a major killer in this rugged region. A stunning 20 percent of the deaths in this area of several million people are from this form of cancer alone.

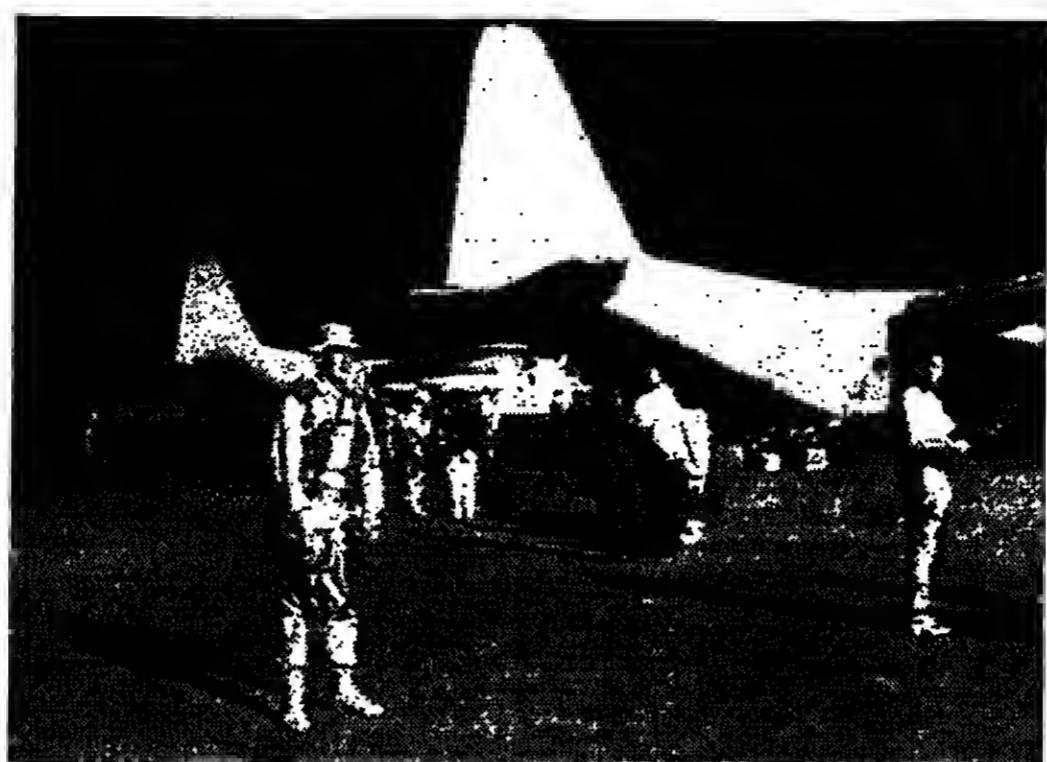
American doctors say the procedures being tried here — involving Chinese diagnostic techniques and a Japanese-developed experimental surgery — could help fight what is one of the fastest growing cancers in the United States — adenocarcinoma, which mostly affects white men — and the other main type of esophageal cancer, squamous cell carcinoma, which mostly affects middle-aged African American men.

The cooperative research in this mountainous zone, a redoubt for Communist fighters against the Japanese during World War II, is one of hundreds of projects involving Chinese and American specialists.

Instituted in the 1970s, shortly after President Richard Nixon's historic first trip to China, the U.S.-Chinese scientific cooperation has grown into one of the underpinnings of Washington's relations with Beijing and into one of the most productive such relationships in the world, according to scientists on both sides.

"Science was used as a tool to normalize relations," said Alice Hogan, an official with the National Science Foundation now at the White House Office of Science and Technology Policy. "Back then it was more formula than substance. The remarkable thing is that we are almost completely out of that phase."

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Foreigners boarding planes Sunday at Asmara airport during a halt in Ethiopian bombing.

Foreigners in Eritrea Flee Bombs

The Associated Press

ASMARA, Eritrea — Hundreds of foreigners scrambled out of Eritrea on Sunday, fearing it will be engulfed in war with Ethiopia. One of their main escape routes came under attack earlier for a second straight day.

Ethiopian jets bombed a military-civilian airport on the outskirts of Asmara for the second time Saturday, forcing embassies to step up their exit plans.

American, Italian, German and British planes ferried foreigners out of harm's way Saturday and

Sunday after Ethiopia agreed to halt the bombing temporarily. Some reports said that up to 2,000 people had been evacuated.

Weary expatriates crowded the airport parking lot, waiting to be evacuated. Angered and confused by the sudden violence in this capital of broad boulevards and modern buildings, no one wanted to talk about his decision to go.

"In principle," said the French ambassador, Louis Le Vert, "this is the last of the evacuations,

See ERITREA, Page 10

Pakistan Accuses India in Train Blast

26 Dead, 45 Wounded in Bombing; New Delhi Denies Responsibility

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KARACHI, Pakistan — A powerful time bomb tore through a train traveling in southern Pakistan on Sunday, killing 26 people and wounding 45 others, many of them seriously, the police and emergency workers said.

The government accused India's intelligence service of responsibility for the blast and warned the act could further impair strained ties between the two countries in the wake of nuclear tests. India dismissed the accusation as "preposterous."

The train was passing through a village 30 kilometers (18 miles) from Sukkur, about 200 kilometers north of Karachi, when the bomb exploded just before dawn, the police said.

The 18-car Khyber Mail express, with a capacity of 1,800 passengers, was headed from Karachi in Sind Province, to the northwestern city of Peshawar. Witnesses said the bomb, in an economy-class car, wrecked two cars of the train. Among the dead were four children aged 5 or younger, the police said.

"When we arrived, the carriage was destroyed and bodies were blown to pieces," said an ambulance driver, Mohammed Haif. "Many of the passengers were trapped and shouting for help."

Rescuers quoted a passenger as saying: "It was a big bang, and the impact was intense. We were thrown on each other as the train continued to travel several minutes after the blast."

The governor of Sind Province, Moinuddin Hyder, said at the scene that the blast was probably the work of anti-Pakistani elements — government code for India — but that it was too early to blame New Delhi outright.

But the Pakistani information minister, Musahid Hussain, said "hard proof" had been found linking the Research and Analysis Wing of India's intelligence service to a series of bombings.

The train blast was "obviously" a terrorist act sponsored by the Research and Analysis Wing, the Foreign Minister said in a statement.

The chief police investigator, Malik Mohammed Afzal, said a "foreign-made

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Milosevic Will Allow Observers Into Kosovo

By Steven Erlanger
New York Times Service

WASHINGTON — President Slobodan Milosevic has agreed to allow diplomatic observers to enter and move through the southern Serbian province of Kosovo, where the Serbian Army and police units have been attacking the ethnic Albanian majority, senior U.S. officials said Sunday.

The first such forays could take place as early as Monday, the officials said, after weekend negotiations in Belgrade between Mr. Milosevic, whose forces

In Albania, rebels from Kosovo move about freely. Page 10

have prevented foreign access to the area, and the American ambassador to neighboring Macedonia, Christopher Hill.

Mr. Hill will also be allowed to escort the chief ethnic Albanian negotiator, Fehmi Agani, a close aide to the Kosovar leader, Ibrahim Rugova, into the area.

Mr. Agani was denied access Thursday and presumably will bring journalists along, the officials said.

But the officials warned that Washington will insist that the diplomatic observers not be impeded in their investigations and that their numbers be enlarged beyond the limited personnel available in Belgrade.

And they stressed that these new agreements, while not important, did not absolve Mr. Milosevic of allegations of ethnic cleansing, designed to create a cordon near the Albanian border in an effort to prevent the infiltration of arms and new fighters from outside Kosovo.

In the last two weeks, Mr. Milosevic has ordered a crackdown against the ethnic Albanians in Kosovo and the Kosovo Liberation Army, which is fighting for independence — an outcome the West does not support, fearing it would stir the ethnic and religious cauldron of the Balkans.

"Ethnic cleansing, whether as a goal or a tactic, is still a crime," said a senior American official. "We cannot ignore that extraordinarily grave events occurred last week and we cannot allow Milosevic to get a breather because some diplomats observers are let in."

He said that Washington and its allies continued to insist on the withdrawal of Serb special police and army units from Kosovo and full access for other foreigners.

Just having some diplomatic observers who come back and say, 'Gosh, this is terrible and they've destroyed the place' isn't sufficient."

The Clinton administration, meanwhile, has reversed course and is ready to impose sanctions to punish President

See OBSERVERS, Page 10

In Moscow and Beijing, the Search Is On for Funds and Fakes

Russian Capitalism Starved for Capital

By David Hoffman
Washington Post Service

MOSCOW — "I don't have much time; I have to get to the bank," apologized Sergei Marasyev, a third-generation textile worker, holding a cellular telephone in one hand. In the distance, beyond the walls of his office, could be heard a muffled roar, the sound of looms churning out white cotton bedsheets and soft fabric for diapers.

Mr. Marasyev, technical director of Izmailovskaya Manufactura Co., a Moscow textile factory dating to imperial Russia, has good reason to be worried about the bank. To understand the significance of the financial turmoil that has roiled Russia in recent weeks, Mr. Marasyev needs to look no further.

He has a single, six-month bank loan; it is the longest term available in Russia today. The annual interest rate is 42 percent and may be headed higher. The central bank recently raised its benchmark lending rate to 150 percent, before dropping it to 60 percent. For Mr. Marasyev's factory, which he said operates on the edge of profitability, the outlook for additional financing is bleak.

His predicament is at the root of Russia's economic troubles six years after the collapse of Soviet central planning. The country has set out on a course of free-market capitalism, but right now, Russia is starved for capital.

"There is no capital coming in to either households or corporations," said Al Breach, an economist at the Russian European Center for Economic Policy.

There are many reasons for Russia's current troubles. In the past six months, financial markets here have been rocked by three waves of investor flight and panic. Each time, interest rates have skyrocketed, tightening the choke hold on the real economy — those factories and businesses that need to survive and grow. The Russian economy was expected to return to growth this year after years of free fall, but so far there are only anemic signs of a revival, although inflation remains low.

Moreover, the economy is dominated by a coterie of politically well-connected tycoons and their empires. Virtually all enterprises, workers and the government are enmeshed in a vast web of debts and barter trade. Russians still tend to keep their savings under mattresses, rather than investing. The larger restructuring of industry has lagged; companies still struggle with obstacles

ranging from unreformed bureaucrats to ubiquitous protection rackets.

In addition, Russia was hit in recent times by two external shocks:

The first was the Asian emerging markets crisis last October, which rattled investor confidence in what was then the high-flying Russian stock market. The second was the collapse in world oil prices this spring. Oil is Russia's major export, and the decline of world prices to \$14 a barrel hurt oil companies and further dented government

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Consumer Advocate in China Does Well by Doing Good

By Elisabeth Rosenthal
New York Times Service

missing from the tag.

"They're fake," he declared. "Such is shopping with Wang Hai, 25, a high school dropout who in three years has transformed himself into China's first consumer advocate, and a national hero. An odd cross between Ralph Nader and Robin Hood, Mr. Wang crisscrosses China ferreting out and exposing the legion of stores that are selling counterfeit name-brand products.

Whether it is fake cold medicine in Harbin or fake mobile phones in Tianjin, Mr. Wang is there.

He writes a popular consumer column in the newspaper China Youth Daily, and his recent autobiography, "I Am a Rogue," is a best-seller. In this country notorious for counterfeits — from imitation Compaq computers to imitation Fendi handbags — there is even a budding group of what Chinese newspapers call "imitation Wang Hais" — other would-be consumer advocates.

It is perhaps no surprise that Mr. Wang has achieved near-mythic fame in

See CHINA, Page 10

AGENDA

Strikes Still Paralyze Air France

Air France, the official carrier for the World Cup soccer tournament, which begins in two days, will be virtually grounded, at least for the start of the month-long sporting event.

The strike-bound, state-owned Air France stood no chance Sunday of getting back to normal before the Cup gets under way.

"The Cup will start without the aircraft of Air France," said the pilots' chief negotiator, Jean-Charles Corbet.

Even if the stalled talks resumed Monday and came to a swift agree-

ment, the airline said it would take up to three days to get its planes into position to restore scheduled services.

Air France said it would operate only one in four domestic, European and intercontinental flights Monday. It is committed to providing 160 special charter flights to transport the 32 soccer teams around the country in the first round of the tournament.

Chaos at Charles de Gaulle airport near Paris continued, even though baggage handlers returned to work Saturday. Page 6.

Crackdown in Nigeria, Opposition Says

LAGOS (AP) — At least one protester was killed and 62 others were arrested during recent anti-government demonstrations in Nigeria, a leading opposition group said Sunday.

The Joint Action Committee for Nigeria did not say where or how the person was killed, but claimed the death was linked to police efforts to

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The Mouse Debate in Science Labs

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Confidentiality: Beyond the Crawl?

ASIA/PACIFIC Page 4
Years of War Slow Afghan Relief

BUSINESS/FINANCE Page 13
Decision Day for Goldman Partners



Spain's BIG DAY — Carlos Moya on his way to victory in the French Open final Sunday against a fellow Spaniard, Alex Corretja. Page 26.

A Taboo Falls: Sex Turns Into the Talk of America's Towns

By Janny Scott
New York Times Service

NEW YORK — In corporate conference rooms, in dentists' chairs and over dinner, the continuing news about both Viagra and Monica Lewinsky appears to have accelerated a change in the way many Americans speak about a subject that some would prefer be barely spoken about at all.

In recent months, the subjects of sex and the language describing sex acts and sex organs have been nudged a few inches closer to the conversa-

tional commonplace. Many Americans say they have found themselves using words they would never previously have used, discussing erectile dysfunction at dinner parties, talking to their children about adultery, laughing at sex jokes told in the presence of people like their bosses.

Dr. Mark Schwartz, the director of the Masters & Johnson Clinic in St. Louis, recently visited a new dentist for the first time and says he became the audience for a battery of jokes about oral sex told by the dentist, a man, in the presence of a female hygienist.

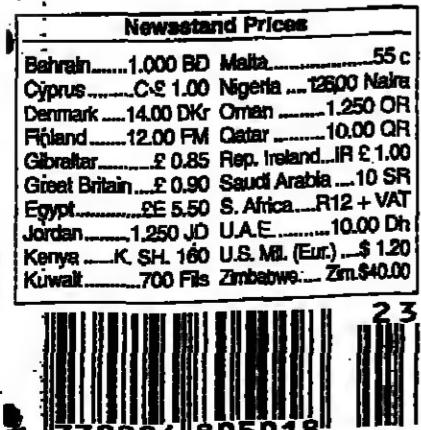
At a black-tie dinner at the New York Botanical Garden last month attended by 1,100 people, Peter Bijur, the chairman and chief executive of Texaco, strode to the podium and opened with a joke suggesting that some of the floral centerpieces were having Viagra-assisted erections.

Ten days later, in the grand ballroom of the Waldorf-Astoria Hotel in Manhattan, at a black-tie gala for the National Osteoporosis Foundation, Lesley Stahl, the correspondent for CBS's "60 Minutes," stood up before 800 people to accept an award and delivered an almost identical joke.

"We now speak about the unspeakable as though it were fruit salad," said Elizabeth Gould Hemmerdinger, a writer who with her husband, H. Dale Hemmerdinger, a New York City real estate executive, regularly holds dinner parties in their apartment on Central Park South.

"The word 'erection' is something I couldn't say until six weeks ago," she said. "It was something that I wouldn't ordinarily bring into a conversation with a man who might be the head of a bank."

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Lab Animals Made Ill to Order / Knock Out a Gene and See What Happens'

Engineering of Mice Pits Researchers Against Ethicists

By Rick Weiss
Washington Post Service

WASHINGTON — In a windowless basement at the National Institutes of Health, scientists wearing white protective "moo suits," rubber gloves and disposable booties are creating a generation of tools that could revolutionize medical research.

The new tools are mice, genetically engineered to have human diseases.

In the past, scientists relied on luck to find strains of mutant mice whose symptoms resembled those seen in human diseases, and even then it was not clear how relevant the animal versions were. Using new molecular technologies, however, scientists can genetically engineer mouse embryos from scratch to contain precisely the same biological defects that cause diabetes, cancer, multiple sclerosis, cystic fibrosis, arthritis and many other human ailments.

The new breeds, which have never existed in nature, can be dissected and analyzed by the hundreds or thousands until the biological mechanism underlying their problem is revealed. The animals can also be used for testing experimental drugs.

"These new animal models are going to be incredibly powerful," said Ronald Schwartz, an NIH immunologist who works with the mice. "They are at last giving us the opportunity to understand disease processes and will eventually give us a way to look for treatments."

Others, however, see this latest development as the dawn of a dark era in medical research. The use of animals in research is already fraught with ethical dilemmas, these critics say, but the mass production of animals intentionally designed to have debilitating diseases raises even more difficult ethical questions.

To purposefully bring into the world hobbled animals for experimentation is to treat living creatures as mere devices, some say, and fosters an attitude that could reverse a recent trend toward more judicious and compassionate use of lab animals. For some people, such research is tantamount to a sacrifice — a malignant appropriation of the sacred power of creation.

"Multiple pathologies are frequent in these animals," said Barbara Orlans, a former research physiologist now at the Kennedy Institute of Ethics at Georgetown University. "Genitals and other organs are sometimes deformed. Legless mice may have been produced. It's sort of carte blanche where we're going: Knock out a gene and see what happens."

The debate over genetically manipulated

animals extends beyond the laboratory. Researchers are also altering genes in pigs, goats and sheep, with the goal of making these animals produce medicines in their milk or of making their organs more suitable for transplantation into people.

But such scientists and farmers have a stake in keeping their engineered farm animals healthy. By contrast, said Rebecca Dresser, a bioethicist at Case Western Reserve University, the engineered mice and rats are "genetically programmed to suffer."

The issue is not simply a matter for philosophical debate. In some places, it is also a live political issue. In a referendum Sunday, Swiss voters rejected a proposal that would have made it illegal for researchers to create or use genetically engineered animals, The Associated Press reported.

In the United States, engineered rodents are quickly becoming the mainstay of medical research. There is little to stop it. Mice and rats are specifically exempted from the Animal Welfare Act, the primary federal statute that protects other species of lab animals. And the NIH recently relaxed its restrictions on the creation and use of engineered rodents to make it easier for scientists to pursue such research.

More and more research is moving toward the use of these mice," said John Sharp, superintendent of induced mutant resources at the Jackson Laboratory, a mouse research facility in Bar Harbor, Maine. "It's where the future of research is headed."

The approach is akin to unscrewing a building's fuse one by one to see which lights are controlled by each fuse. Scientists create mouse embryos in test tubes, then remove, or "knock out," single genes from those embryos to see what would go wrong.

In some cases they knock out a mouse gene whose human counterpart, when defective, is known to cause a human disease, thus creating a precise mouse model of that disease. In other cases, they knock out mouse genes whose functions are unknown. By studying the problems these mice have as they grow up, scientists are learning what those genes — and presumably what their human counterparts — normally do.

The technique does show promise. In one case, researchers knocked out part of the Huntington's disease gene in mice — a gene that, when mutated in people, leads to

1. Scientists remove the designated gene — say, the one that produces black pigment in fur — from a single mouse cell.



2. The cell is injected into a 3½-day-old mouse embryo, where it begins to divide with the other cells.



4. Some tissues in the resulting newborn mice lack the gene, but other tissues have it. In this case, they all would have patches of dark and white fur.



5. The mice are mated, resulting in offspring with different colorings. Those whose parents' sperm and egg cells lacked the pigment gene will normally have all-white fur.



3. The embryo, containing an expanding mix of normal and gene-deleted cells, is implanted into a female's womb.



6. Scientists study these mutant mice to see what's wrong with them, an indication of what the gene would normally have done — in this case, produce pigment.



This is how scientists breed mutant mice with characteristics they want to study.

dementia and a progressive loss of muscle control. Careful study of the brains of these Huntington's mice revealed small protein deposits that had never been noticed in the brains of Huntington's patients but which, upon reinspection of patients' brains, proved to be there. Although the relevance of those deposits remains unclear, Mr. Sharp said, "it looks like this is one of the causes of Huntington's disease symptoms."

In another case, scientists at the national institutes working with mouse embryos knocked out a newly discovered gene to see what its role might be. The result was a mouse with a single, Cyclops-like eye and massive head deformities, including an extra growth of skull protruding from the forehead and containing a portion of the animal's brain.

Researchers recognized the pattern as similar to one seen in a rare human disorder called holoprosencephaly. Subsequent tests on people afflicted with that syndrome showed that they harbored a mutation in the human equivalent of the mouse gene, offering the first clue to the disease's molecular underpinnings, said Heiner Westfall, the NIH developmental geneticist who oversaw much of the work.

Several floors below Mr. Westfall's office, in the basement of Building 6A, is one of about a half-dozen laboratories at the national institutes where scientists are making engineered mice.

Thousands of gene-altered mice scamper inside plastic shoebox-size cages stacked 10 high and seven deep and arranged in long rows in climate-controlled rooms. Most of the animals look normal, but under their variably colored coats are carefully plotted genetic errors.

Each of these glitches will gradually disable its mouse in subtle or gross ways, and perhaps help solve a medical mystery.

Some engineered mice grow lumpy tumors very early in life. Others are born with nerve damage or are blind or deaf or have inflamed joints or engage in self-mutilating behaviors. Some lack immune systems and can quickly die from exposure to everyday germs, which is why scientists and visitors must wear protective clothing in the lab.

But of more fundamental concern are the ethical implications of the work. Ultimately some say that the engineering of life — and in particular the intentional induction of malformations — is an affront to religious and spiritual beliefs that see creation as the sole province of a benevolent deity.

"This notion," said Paul Thompson, a philosopher at Purdue University, "that we can own, buy, sell and exchange fundamental life processes can lead to a fundamental transformation of how we understand life as sacred."

Errors on the Rise In Control Towers!

By Don Phillips
Washington Post Service

WASHINGTON — Air traffic controller errors have increased 20 percent so far this fiscal year, with the most troublesome trends involving communications and memory lapses that can compromise air safety, officials said.

These lapses often involved visual misjudgments, leading in one case to a near-midair collision April 3 at La Guardia Airport in New York, according to internal Federal Aviation Administration documents made available by aviation sources.

The sharp upswing in controller mistakes played a part in the FAA's decision last week to order the retraining of 10,000 of the nation's 18,000 controllers.

The agency acted after the La Guardia incident, when an Air Canada Airbus A-319 taking off for Toronto nearly collided with a US Airways DC-9 landing from Columbus, Ohio. The two aircraft came as close as 20 feet after a controller apparently waited too long to order the US Airways plane to abort its landing on a cross runway.

"Short of a tragic accident, this is the most dramatic wake-up call the air traffic control system can receive," said Jim Hall, chairman of the National Transportation Safety Board.

The safety board said its investigation indicated that the US Airways pilot was forced to perform "an evasive maneuver" to dip under the Air Canada plane.

The FAA documents showed that error rates were highest in the New York region, with tower operations making 1.69 errors per 100,000 operations at La Guardia Airport and 1.38 errors at John F. Kennedy Airport.

The New York regional control center, which handles flights entering the New York airspace, also had the highest error rate, 1.98, compared with a national average of 0.55.

TRAVEL UPDATE

Wellington Defends Airport Safety

WELLINGTON (AP) — New Zealand civil aviation authorities rejected Sunday a report by pilots that gave Wellington International Airport a "black star" for being potentially life-threatening.

The pilots' assertion in a document distributed at a closed meeting of International Federation of Airline Pilots Associations, was reported in the Sunday Times of London. Radio New Zealand quoted the authorities as saying that the report was unfair because the airport met international safety standards.

Other airports that reportedly received the black star included those serving San Francisco, Hong Kong and Nice.

AeroMexico flight attendants ended a five-day strike, and the Mexican government said it would rescind a decree authorizing it to take temporary control of the airline. (AFP)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Argentina, Australia, Cyprus, Greece, Ukraine.

TUESDAY: Bangladesh, Sri Lanka, Uganda.

WEDNESDAY: Jordan, Macau, Portugal.

THURSDAY: Austria, Bolivia, Brazil, Chile, Dominican Republic, Equatorial Guinea, Germany, Grenada, Libya, Liechtenstein, Monaco, Poland, Portugal, San Marino, Seychelles, Vatican City.

FRIDAY: Bahrain, Paraguay, Philippines, Poland, Russia.

SATURDAY: Kyrgyzstan, Portugal.

Sources: J.P. Morgan, Bloomberg, Reuters

ACTIVITY RUNS SMOOTHLY AT ABU DHABI AIRPORT.

THERE ARE A LOT OF
IN THE PLAN

In the real world, it's not lights or cameras; just round-the-clock painstaking action. At Abu Dhabi International Airport we aim to excel in everything we do. Without a lot of hoopla! That's how we ensure the smooth, safe and hassle-free handling of over 3.5 million passengers. Yet we leave some holes! In fact, we have a complete 18-hole golf course right next to the terminal complex. So next time you fly in, ask for the golfing gear and go for the big hit. And it won't even make a hole in your pocket. Go ahead. The ball is in your court!

Abu Dhabi
International Airport

MANY HAPPY RETURNS!

100% in 150

THE AMERICAS

A Test for Lawyer-Client Privilege

Does Confidentiality Extends Beyond Grave? Starr Seeks Ruling

By Linda Greenhouse
New York Times Service

WASHINGTON — Kenneth Starr's effort to bring White House aides and Secret Service agents before his grand jury has provided much of the recent legal drama here. But it is his pursuit of notes from a lawyer's interview with a man who has been dead nearly five years that, of all the disputes surrounding the independent counsel's investigation, could ultimately matter most to anyone who has ever consulted a lawyer about a potentially embarrassing problem.

The question, which will be argued Monday before the Supreme Court, is whether the age-old attorney-client privilege survives the client's death. The privilege is the basis for lawyers' relationships with their clients on the one hand, and with the rest of the world on the other.

The client in this case was Vincent

Foster Jr., the deputy White House counsel who killed himself nine days after seeking advice from James Hamilton, a prominent Washington lawyer who took three pages of notes during the two-hour meeting. Mr. Starr is seeking the notes as part of his investigation into whether presidential aides lied about any role Hillary Rodham Clinton might have had in the dismissal of seven employees of the White House travel office.

But the particular facts and political context are nearly irrelevant to lawyers across the United States, as well as organizations speaking for the terminally ill and for the nation's psychiatrists, whose attention has been riveted on the opinion issued last year in the case by the U.S. appeals court here.

A privilege long assumed to be one of life's absolutes suddenly turned out to be, at the end of life, porous and unreliable.

Mr. Foster had requested, and Mr.

Hamilton confidently gave, an explicit promise of confidentiality at the start of their interview on July 17, 1993. But the U.S. Circuit Court of Appeals in the District of Columbia ruled that Mr. Starr could have the lawyer's notes provided he could persuade a U.S. District Court that he needed them.

Outside of the context of disputed wills, where different rules apply to enable lawyers to make known the wishes of their deceased clients, this was the first federal ruling to lower the absolute shield of the privilege. Lawyers say that unless the Supreme Court overturns the decision, they will have to modify the assurances they now give their clients.

"One of the fundamental aspects of the lawyer-client relationship is that the duty of confidentiality lasts forever," said Steven Krane, a New York lawyer who has served on several professional ethics committees.

"You take your client's secrets to your grave," Mr. Krane, a partner in the firm of Proskauer Rose, said he had taught his students at Columbia Law School. "Now, if a client leaves my office and is hit by a bus, suddenly everything is potentially available."

Although the appeals court's decision is binding only in the federal courts here, the case, Swidler & Berlin v. United States, has been the talk of the legal profession. The cover story in the current issue of *The American Lawyer*, a monthly magazine, describes the case as "one of transcendent importance to lawyers throughout the country."

The American Bar Association and three other national lawyers' organizations have filed briefs urging the justices to overturn the decision.

The American Bar Association said there were "hundreds of thousands if not millions of Americans" contemplating the likely imminence of their own deaths. "Many of these people undoubtedly have secrets and confidences that, if revealed, would be at the least highly embarrassing to themselves or their friends and loved ones," but they might want to turn to a lawyer to help sort such matters out while there is still time, the brief said.

Disclosure of sensitive material after death "can be devastating to survivors," the National Association of Criminal Defense Lawyers said in a brief that the bopsic and psychiatric organizations also signed.

If upheld by the Supreme Court, the brief said, the appeals court's decision "will come to bear every time a lawyer counsels a client" and a client must decide "whether to make a full and candid disclosure to his lawyer of the most highly incriminating, embarrassing or otherwise sensitive facts the client possesses."

Although no organizations have filed briefs on Mr. Starr's side, the argument is not quite as lopsided as that fact might indicate. A number of prominent legal scholars over the years have called for a relaxation of the absolute privilege after the client's death, in cases of "exceptional need," as the American Law Institute, a group of scholars and bar leaders, urged in a policy statement adopted last month.



RFK REMEMBERED — Representative Joseph Kennedy 2d, Democrat of Massachusetts, and his sister, Kathlene Kennedy Townsend, the lieutenant governor of Maryland and also a Democrat, reminiscing on television on Sunday about their father, Robert F. Kennedy, who was assassinated 30 years ago.

POLITICAL NOTES

Environment Protection Agency Goes After Lax Enforcement

WASHINGTON — The inspector-general of the Environmental Protection Agency has documented widespread failures by federal and local officials in several states to police even the most basic requirements of the nation's clean-air and -water laws.

The environmental agency's independent auditing arm found waste-water treatment plants operating with obsolete permits or with none at all, inspectors failing to visit and review factories and states failing short of federal goals.

The reports blamed both federal and state officials for the shortcomings. Investigators found that state officials failed to enforce the laws and to report violations to the federal government, but they also found that federal officials were remiss in enforcing the law and in supervising the state authorities.

Republicans on another ideological collision course with the White House over the size and role of the federal government.

Despite the defection of nine moderates in the party unwilling to support spending reductions of the magnitude called for in the budget outline, the Republican leadership rammed the measure through by a 216-to-204 vote Friday after a contentious debate and some intense arm-twisting.

The House plan calls for about \$100 billion in tax cuts over the next five years, offset by spending cuts of the same amount.

The primary tax cut would be a reduction in the so-called marriage penalty, the provision in the tax code that forces many two-income couples to pay more than they would if single.

(NYT)

Quote/Unquote

Senator Chuck Hagel, Republican of Nebraska, holding forth on the global economy, the Asian financial crisis and the International Monetary Fund with a dozen or so hog and cattle farmers in West Point, Nebraska: "Many of my colleagues don't understand foreign affairs, they don't travel, they don't get out. They're scared of taking trips that will be labeled political junkets. They don't have much interest, and they don't see the relevancy."

(NYT)

New Budget Fight on Horizon

WASHINGTON — The House has narrowly approved a plan to cut taxes and spending far more deeply than last year's bipartisan balanced budget deal. The move puts

northeast of Orlando. One person was treated for minor burns.

(AP)

• Families of the victims of TWA Flight 800 sifted through more than 200 boxes of unclaimed items over the weekend, hoping to find the belongings of loved ones who died in the 1996 plane crash.

(AP)

• Major brushfires burned across Florida over the weekend, destroying dozens of homes and closing Interstate 95.

(Reuters)

Cindy Crawford's Choice



Constellation
Stainless steel with diamond-set bezel.
OMEGA — Swiss made since 1848.

Omega -- my choice Cindy Crawford

Ω
OMEGA
The sign of excellence

BOOKS

MEN OF WAR

Black Troops in the Civil War
By Noah Andre Trudeau. 548 pages.
\$29.95. Little, Brown.

Reviewed by Chris Patsilelis

WILL they fight?" This crucial question regarding the courage of black Union soldiers recurs throughout Noah Andre Trudeau's well-researched and groundbreaking new work, "Like Men of War: Black Troops in the Civil War." Drawing primarily on the letters and diaries of soldiers and newspaper articles of the time, Trudeau, author of the critically acclaimed Civil War trilogy "Bloody Roads South," "The Last Citadel" and "Out of the Storm," vividly brings to life the experience of the U.S. Colored Troops and, in doing so, resoundingly affirms their bravery.

In 1862 — more than a year into the war — most Americans did not believe that blacks possessed the intelligence or courage to become soldiers. In the North they earned their living, for the most part, at menial jobs that required limited responsibility. They were not looked upon as fully enfranchised American citizens.

But in 1862 things began to change. As Union successes in the West brought more slave regions under U.S. control and as the mounting carnage increased the need for more soldiers, Congress passed the Second Confiscation Act and the Militia Act, which stretched the president's power to use black men in the military.

Always led by white officers, black troops fought one of their first major engagements at Milliken's Bend, Louisiana, on June 7, 1863. The 1st Regiment Mississippi Infantry (African Descent), organized by the vibrant, nearly 60-year-old Brigadier General Lorenzo Thomas, helped turn the tide in this battle.

So positive were the battle reports of black troops' performance in this qualified Union victory that it came to the attention of General Ulysses S. Grant, no abolitionist, who stated that "most of the

troops engaged were Africans, who had but little experience in the use of firearms. Their conduct is said, however, to have been most gallant, and I doubt not but with good officers they will make good troops."

As the war progressed, Grant's prediction was borne out impressively. At such major actions as the capture of Jacksonville, the 54th Regiment Massachusetts' celebrated assault on Fort Wagner, Petersburg, Fort Pillow, the Crater and the capture of Richmond, black troops exhibited a bravery that eventually would silence the most skeptical critics.

Besides the steep struggle against virulent racism and to convince fellow white soldiers and officers that they deserved to wear the Union uniform, black soldiers had another terrible problem to contend with. The Confederate government had proclaimed that any blacks caught armed and in uniform, or any of their white officers, were to be tried (and presumably executed) for inciting insurrection. On the battlefield this translated into "Take on prisoners!" and it rationalized many horrifying Confederate atrocities. But it also made the black troops fight even more fiercely.

Trudeau's exciting and revealing saga vividly reminds the reader exactly how high a price black troops paid to claim their manhood in this country.

Chris Patsilelis, who writes frequently about military history, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

WHY sometimes, the Queen told Alice in "Through the Looking-Glass," "I've believed as many as six impossible things before breakfast." If you are reading this at breakfast, see if you can believe the following impossible thing: In a major tournament with world-class players, the declarer has Q J 10 x opposite a small tripletion in dummy. The opponents lead the suit twice but take no tricks in the suit.

It happened in the 1997 Forbo-Krommenie Team Tournament in The Hague, and the South cards were held by Nick Nickell of Manhat-

tan, at that time a reigning world champion. Playing against two Italian stars, he and his partner, Dick Freedman of Atlanta, reached two hearts after a transfer auction.

West got off on the wrong foot by leading a diamond, and South won with the queen. Now South crossed to the club king and drew the remaining trump with the jack. With his contract safe, South tried a club finesse. He knew that West had only minor-suit cards, so losing the finesse would not cost. The club queen was the fourth trick for the defense, but

West led the diamond three.

NORTH (D)

♦ A 6 4 3
♦ J 9 8 6 4
♦ Q 10 9 3
♦ K 7

WEST

♦ A 8 2
♦ K 8 7 3 2
♦ Q 10 8 5 4

EAST

♦ A K 7 5

SOUTH

♦ Q J 10 8

Bidding:

North: Pass

East: Pass

South: 1 N.T.

West: Pass

Both sides were vulnerable. The

North: Pass

East: Pass

South: 2 ♠

West: Pass

ASIA/PACIFIC

Mountains and Years of War Slow Afghan Relief

By Molly Moore
Washington Post Service

KOL DARRAH, Afghanistan — The survivors of Kol Darrah huddled atop a barren ridge overlooking the rubble of what was their village before the devastating earthquake last week sent their mud homes and animal pens plunging off a ledge and down the cracked and scarred mountainside.

For seven days, the village's 50 families had waited — without food — for outside help to discover their remote spot in the northeastern Afghan mountains, a village so tiny and so isolated that it did not even appear on a map when relief agencies began coming this rugged territory by air for earthquake damage.

And when the first help finally arrived over the weekend — an international aid helicopter with sacks of wheat and jugs of oil — even the local Afghan guide could barely find the wreckage of the former Kol Darrah.

It was the bright orange and pink heads of the village women, sitting in a tight knot on a mountaintop seemingly in the middle of nowhere, that served as the beacon for airborne aid workers.

Mohammed Marad, his eyes brimming with tears under a deeply furrowed forehead, threw himself into the arms of the first relief worker off the helicopter. His 5- and 10-year-old daughters were among the 10 villagers who had died beneath the rubble.

Mr. Marad, 56, said he had left his mud home early on May 30 to buy flour from a grain mill in a distant village. He thought little of the tremor he felt underfoot at midmorning as he walked home along the steep mountain paths.

"When I returned I saw the whole village was destroyed," he said hoarsely. "I nearly burst from sorrow. I saw nobody in the village. I found my two children killed, crushed by the house."

If, as local residents believe, God is angry, he could not have chosen a more formidable location to stage such a devastating natural disaster than the Hindu Kush Mountains of Afghanistan, which have defeated travelers, adventurers and armies for centuries.

More than a week after the second earthquake in

five months rattled these mountains on the Tajikistan border, killing about 5,000 people and injuring tens of thousands more, international aid workers have reached barely one-third of the 84 villages and towns known to have been damaged by the quake, which measured 6.9 on the Richter scale.

All but a handful of those villages and towns are accessible to aid workers only by helicopter. Thirty-four towns and hamlets were destroyed, and in another 21 at least 50 percent of the houses have collapsed.

"We keep finding new villages that aren't on the maps," said Rupert Colville, a spokesman for the United Nations relief effort. "We thought the February earthquake was bad. At least the villages were accessible. This one was five to six times more destructive." About 2,300 people died in the Feb. 4 earthquake.

The relief effort has been thwarted by natural and manmade catastrophes. Persistent storms have triggered landslides and grounded the three helicopters and smattering of airplanes available to relief groups. Companies that own helicopters have tried to charge aid groups as much as \$7,000 an hour for helicopter airlifts, and some crews have refused to fly in Afghanistan, considered dangerous because of a continuing civil war.

Helicopters as well as fuel are in such short supply that the staging area at Faizabad just outside the quake zone has been a chaotic battleground of relief organizations, medical teams and journalists jostling over seats.

"It's been more than one week since the earthquake and we can't get the medical teams out," said Panna Erasmus, a doctor from the London-based Irish Medical Emergency Relief International.

Afghanistan is a country without a government capable of assisting its own people. Ripped apart by warring tribal factions for the last seven years, more than 80 percent of the country is controlled by the fundamentalist Taliban.

One of the few pockets of Afghanistan not under Taliban control is the mountainous northeastern region that was hit by the earthquake. Taliban leaders said they believed the double quakes in the area were God's revenge on the inhabitants for refusing to accept Taliban rule.

"In almost any country that has an earthquake, you have an army, an infrastructure," Mr. Colville said. "This is the only place where you have a massive disaster and almost everything has to be done by agencies. The rehabilitation from the first quake hadn't even gotten off the ground."

Those were among the reasons that Mr. Marad and the other residents of Kol Darrah had camped out on a desolate hillside for a week. They were subsisting on milk from a few goats and cows and a spinach-type grass that grows wild in the mountains. They were sheltered only by a few scrubby trees and flimsy tents constructed of rugs pulled from beneath the rocks and mud that were once their village.

When the mustard-colored Tajik helicopter leased by the International Committee of the Red Cross landed on a muddy hillside across the ravine from the site of the village, the mountainside came alive with dozens of men and children running as far as a kilometer to greet the chopper and the sacks of wheat and plastic jugs of oil that it carried.

Two men labored down a steep hill carrying Azada, 25, who gave a doctor only her first name, and her 3-year-old son huddled under a blanket. Both had spinal fractures and had waited more than a week for the trip to the Faizabad hospital, a 25-minute helicopter flight away.

■ A Tug-of-War Over Helicopter Fuel

Pakistan said over the weekend that it would contribute three helicopters to the relief operation in Afghanistan, but only after a bizarre tug-of-war with aid workers over vital fuel supplies, Agence France-Presse reported from Faizabad.

Three Pakistani military helicopters were stranded in Faizabad after running low on fuel while ferrying Deputy Foreign Minister Mohammed Sadiq Kanju to talk with Afghan faction leaders. The Pakistanis infuriated aid workers by demanding the entire relief operation's fuel stocks to fly their stranded helicopters home.

Hundreds of tons of food are piled up beside the airstrip in Faizabad, but there is no way to get it to many of the villages perched on mountainsides or hidden in deep ravines.



An elderly quake victim receiving medical attention in Faizabad.

BRIEFLY

India Counters UN's Criticism

NEW DELHI — India assailed on Sunday what it called a "grotesque" statement by the United Nations Security Council condemning India's nuclear tests and accused the body of a double standard on disarmament.

"We regret that the Security Council has acted in the way it has and produced a resolution that is coercive and unhelpful," the Foreign Ministry said in an unusually strong statement.

India's "impeccable record," the statement said, was "better than many who have chosen to attempt to instruct us in this matter."

On Saturday, the Security Council condemned India and Pakistan for their nuclear tests last month and urged them to take steps to avert an arms race. (AFP)

Burma Imprisons 2 Activists

RANGOON — Burma's ruling junta has sentenced two opposition activists to 14 years in prison for distributing copies of a letter from a rebel army, sources said Sunday.

The letter was from the Shan State Army, which has struck a cease-fire deal with Burmese authorities to the intelligence chief, Lieutenant General Khin Nyunt, but details of its content were not immediately available.

Two members of Daw Aung San Suu Kyi's opposition party, the National League for Democracy, handed out

copies of the letter at their leader's compound in March, party sources said. (AFP)

Taiwan Virus Toll Reaches 30

TAIPEI — Two more infants died of an intestinal virus sweeping Taiwan, raising the toll to 30 as U.S. experts arrived here to help authorities find the cause of the killer disease, reports said Sunday.

Doctors estimate that the virus has infected at least 200,000 babies around the island in the past week, newspapers and television reports said.

A team of experts from the U.S. Centers for Disease Control and Prevention arrived late Saturday to aid in investigations as Taiwan health authorities came under fire for failing to respond swiftly to curb the disease. (AFP)

A Voice for North Korean Reform

NEW YORK — President Kim Dae Jung of South Korea has told the UN secretary-general, Kofi Annan, that his government advocates gradual reform in reclusive North Korea, a South Korean spokesman said.

Mr. Kim, who arrived Saturday for his first U.S. visit since his election in October, informed Mr. Annan of his policies of developing peaceful relations with Pyongyang and reaffirmed Seoul's commitment to keeping the Korean Peninsula free of nuclear weapons. (Reuters)

Rocket Probe Targets Ex-Loral Scientist**Executive Told China in '96 That He Would Help Improve Its Technology**

By Elaine Sciolino and Jeff Gerth
New York Times Service

WASHINGTON — The scientist at the center of an investigation of whether two U.S. companies improperly helped China improve its rockets told the Chinese in 1996 that he would do everything he could to make their rockets the most reliable in the industry.

The scientist, Wah Lim, a Chinese-born American citizen, was a senior vice-president and engineer at a unit of Loral Space & Communications Ltd. when he wrote a cordial letter to China Aerospace Corp. in April 1996, two weeks before a technical review he oversaw was provided to the Chinese company without U.S. government permission and coauthored to Loral policies.

Federal officials are investigating whether the review, an analysis of a Chinese rocket-launching failure that destroyed a Loral satellite, violated export-control laws and damaged national security by giving the Chinese information that would enable them to improve their missile program.

The investigation caused Justice Department prosecutors in February to oppose President Bill Clinton's approval for China to launch another Loral satellite.

Loral officials say that the unauthorized and perhaps illegal disclosure to the Chinese was just a mistake.

But both the warmly worded letter by Mr. Lim, in which he promised a fruitful joint effort to figure out why the Chinese rocket had exploded two months earlier, and other internal Loral

documents portray a corporate mind-set in which the priority was to fix a serious problem of concern both to the American company and to the Chinese.

The Chinese rocket carrying the Loral satellite crashed into a hill 22 seconds after liftoff in February 1996. The Chinese thought they had figured out the cause, but their insurance companies wanted a second opinion.

Enter Mr. Lim, the 53-year-old Loral physicist who grew up in Singapore and came to the United States on a Fulbright scholarship, was so highly respected by the Chinese that Liu Jiuyuan, China Aerospace chairman, asked Loral to put him in charge of the review.

Although Mr. Lim's mandate was narrowly defined, his letter to Mr. Liu during the early stages of the review and other internal Loral documents suggest that he may have had broader objectives: to offer concrete recommendations to improve the reliability of China's troubled Long March rocket program.

Since many of Loral's satellites are launched in China, such a goal was in the company's best financial interest as well. But China Aerospace launches rockets with both commercial and military applications, and improvements in the ability to launch rockets accurately and reliably could aid not only its business of sending communication satellites into space but also its testing and delivery of nuclear weapons from ballistic missiles.

So the Loral documents underscore the risks of the Clinton administration's policy of promoting the transfer of sophisticated U.S. technology to countries like China at the same time as trying to prevent that technology from being used for military purposes. That policy has now come under congressional review.

There are also federal investigations into testimony about surreptitious contributions to the Democratic Party by the Chinese military through a China Aerospace executive, and into campaign contributions to the party from Loral's chairman, Bernard Schwartz.

In his letter to the Chinese, Mr. Lim said he felt "privately honored for having been asked" to head the review team and noted that an important goal of the review was "using this failure as an opportunity to ensure that the Long March launch vehicles have the best reliable record in the future."

The letter offered other expressions of encouragement as well, including Mr. Lim's confidence "that your company will take their share of the world market for satellite launch services."

Under the ground rules imposed by the U.S. government, Loral was allowed to help the Chinese mount its satellite on the Chinese rocket. But it was forbidden to disclose "launch vehicle/satellite detail design" or "information that will enhance the launch site facilities or launch vehicle/mission capabilities" of China.

Mr. Lim, who now heads the technology and development arm of Hughes Space & Communications, is the key figure in the Justice Department's criminal investigation into whether Loral and Hughes, which also worked on the review, transmitted information that may have helped China's missile program.

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EUROPE

Chirac, Rising From Electoral Blunder, Seeks to Lead Again

By Jim Hoagland
Washington Post Service

PARIS — There was still a tinge of shock in Jacques Chirac's voice as the French president recounted discovering in mid-May that President Bill Clinton, Prime Minister Tony Blair and other leaders attending the Group of Seven summit meeting did not intend to go to the United Nations for the special session on the world's drug problems that begins Monday.

"This seemed unthinkable to me," recalled Mr. Chirac, who immediately began lobbying the leaders of the world's richest countries and Russia to add a trip to New York "as an act of faith" and compassion. "How could we have this meeting be meaningful without the participation of the leaders of major drug-consuming countries, which contribute so much to the problem?" he asked.

U.S. and UN officials confirm that President Chirac's energetic and emotional intervention at the Birmingham, England, summit meeting helped get Mr. Clinton, Mr. Blair and others to rearrange their schedules to be present at the special session on drugs in New York. Each head of government or state will speak for seven minutes at the one-day conference.

"We cannot change the world in

seven minutes," Mr. Chirac remarked May 29 in an hour-long interview in his Elysee Palace office. "But we can show that we will just not sit by and abandon the world's desperate and desolate."

Mr. Chirac's speech at the United Nations and his initiative to get others to attend the meeting are big steps in his comeback from the political roadside, where he was left for dead a year ago after his call for early elections led to his coalition's loss of National Assembly control.

Less than a month after he took on the rest of the European Union and forced a compromise on the choice of a new head of the European Central Bank, Mr. Chirac made clear in the interview that he is finding his voice again and that he intends to claim a larger role for France on the global scene.

This is likely to be a mixed blessing for Mr. Clinton, as hinted by the troublesome changes Mr. Chirac inspired in the American president's schedule for Monday.

Mr. Clinton's policies face increasing challenge from the French president, who says he is acting in the name of global social justice and seeking to ease the inevitable transition "to a multipolar world, equipped with a well-functioning multilateral system."

Throughout the interview, Mr. Chirac laid strong emphasis on his personal admiration for Mr. Clinton and on France's determination to cooperate with American global leadership where possible.

But he did not hesitate to underline differences on sensitive topics like Washington's extensive use of economic sanctions, the future of NATO

Mr. Clinton's abilities to govern. "Reason always wins out in the end," he said as a general comment.

Foreign affairs have provided Mr. Chirac with a lifeboat in which to ride out a political shipwreck that would have ended the career of a lesser politician. Last June he called parliamentary elections a year early and saw his conservative coalition lose its commanding majority to the Socialists and Communists, enabling Lionel Jospin to become prime minister and form a government.

Under the French system, Mr. Jospin, a Socialist who is to visit Washington June 17-20, controls the country's domestic agenda, while Mr. Chirac, a Gaullist, has a major say only in foreign policy and defense.

The two men are considered the most likely candidates for president when Mr. Chirac's mandate expires in 2002, but they have worked to keep signs of rivalry out of public view.

The public honeymoon may be ending, as labor strife presents Mr. Jospin with his first serious political challenges at home and as Mr. Chirac feels comfortable in raising his profile on a number of issues, including U.S.-French relations.

His most pointed remarks concerned emerging differences between Washington and Paris over the future mission of the North Atlantic Treaty Organization, which Mr. Chirac said France will not permit to be turned into "a Western alliance that would exercise military force anytime anywhere in the world. That would be an immense danger for world peace."

Mr. Chirac discussed with Mr. Clinton over lunch at Birmingham the French misgivings about the strategic concept the United States wants NATO to adopt at its 50th anniversary summit in Washington next spring.

Discussions of the strategic concept were formally launched at a NATO foreign ministers gathering on May 28 in Luxembourg.

The administration and its supporters in the recently concluded U.S. Senate debate on NATO enlargement have strongly indicated that they will push for a significant widening of NATO responsibilities and "power projection," including missions outside Europe.

If NATO gives itself the right to intervene where it wants and when it wants, other powers would immediately start doing the same thing, with as much justification," Mr. Chirac said.

To pre-empt that, France will insist that NATO military operations outside the alliance's European zone of self-defense be approved by the UN Security Council.

Vote Remark By Kohl Aide Stirs Up Flap

Reuters

BONN — Members of Chancellor Helmut Kohl's coalition on Sunday called on the new German government spokesman, Otto Hauser, to resign over contentious comments he made about East Germans' voting habits.

Mr. Hauser, who was brought in two weeks ago to help revive Mr. Kohl's flagging re-election chances, accused East Germans of straining relations with their western compatriots by voting for the heirs of former East Germany's Communist Party.

A Christian Democrat spokesman, Rolf Kiefer, said that party leaders were likely to discuss the controversy on Monday.

Wolfgang Kubicki, a leader of the Free Democrats, a coalition partner, the Free Democrats, told Bild am Sonntag that if Mr. Hauser "has a lot of self-respect he will resign."

"If not," he said, "Kohl must fire him."

Mr. Hauser said his comments were consistent with the government's view.

BRIEFLY

Greens in Bonn Soften Positions

BONN — Germany's Greens, bidding for a place in government after the election in September, stripped a number of disputed environmental and pacifist policies from their campaign platform Sunday.

Delegates at a party congress in Bonn unanimously voted to accept a revised manifesto that left out the core proposals of an ambitious "ecology tax" plan that would have tripled gasoline prices in Germany over 10 years.

The new manifesto also waters down a policy pledge to pull Germany out of NATO. The congress also approved a separate resolution that removed the party's previous opposition to peacekeeping by German troops in Bosnia. (Reuters)

Passengers Flee German Train

FRANKFURT — Concerned about noises coming from the locomotive, the engineer of a high-speed train made an emergency stop to discharge passengers left jittery by a deadly rail crash last week, officials said Sunday.

The Inter-City Express Prinz Eugen was approaching Regensburg in southern Bavaria at about 3 P.M. Saturday when the engineer heard unusual noises, according to a German Railroad spokesman. When he stopped the train, about 150 passengers got off. Authorities who inspected the train con-

firmed the engineer's suspicions that the noises had come from the engine. They did not identify the cause.

The German police on Sunday lowered the death toll in the crash last week in Eschede to 98, from 102. (AP)

Basque Leaders' Homes Attacked

SAN SEBASTIAN, Spain — The homes of three moderate Basque nationalist politicians were attacked over the weekend in northern Spain, the police said Sunday.

A homemade bomb exploded Saturday outside the home of the mayor of Ordizia, causing light damage. An hour earlier, a similar device was defused outside the home of the head of the Guipuzcoa regional government. In Zarsuz, unknown assailants threw stones at the home of an elected nationalist deputy.

The incidents follow the death on Friday in a police shootout of Ignacia Ceberio Arruabarrena, a member of the armed Basque separatist movement who was wanted by the Spanish authorities for the last three years. (AFP)

Rabbi Proposes an Open Auschwitz

WARSAW — Poland's chief rabbi, Menachem Pinkas Joskowicz, called for the former Nazi death camp complex Auschwitz-Birkenau to be turned into an extraterritorial zone outside Polish control.

(Reuters)

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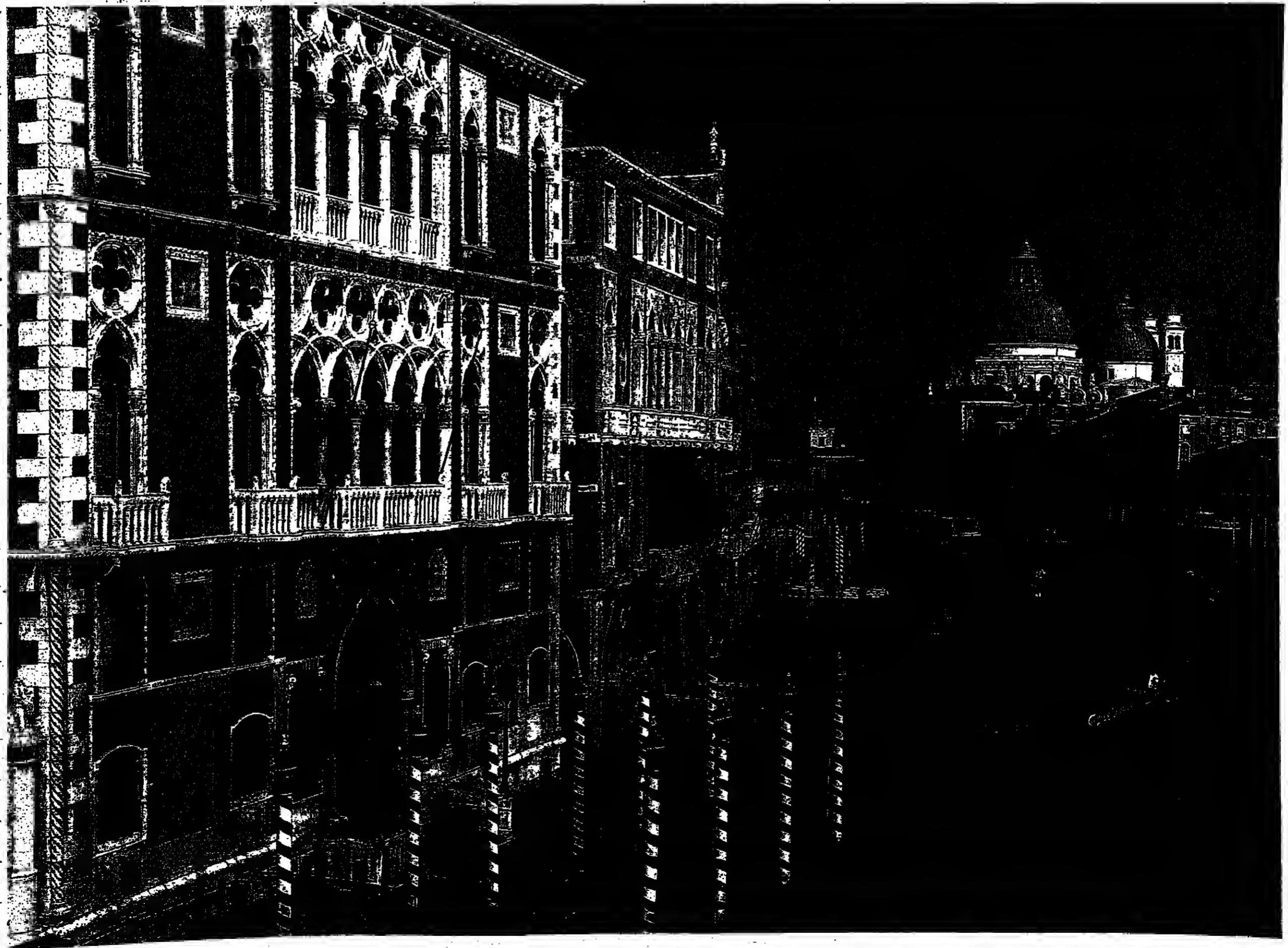
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THEY WANT OFF — Ukrainians aboard a cruise ship anchored near Istanbul on Sunday pleading for help. They claim the crew abducted them in a mafia scam.



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INTERNATIONAL

Amid Chaos at Airport, Air France to Miss Start of Cup

By Barry James
International Herald Tribune

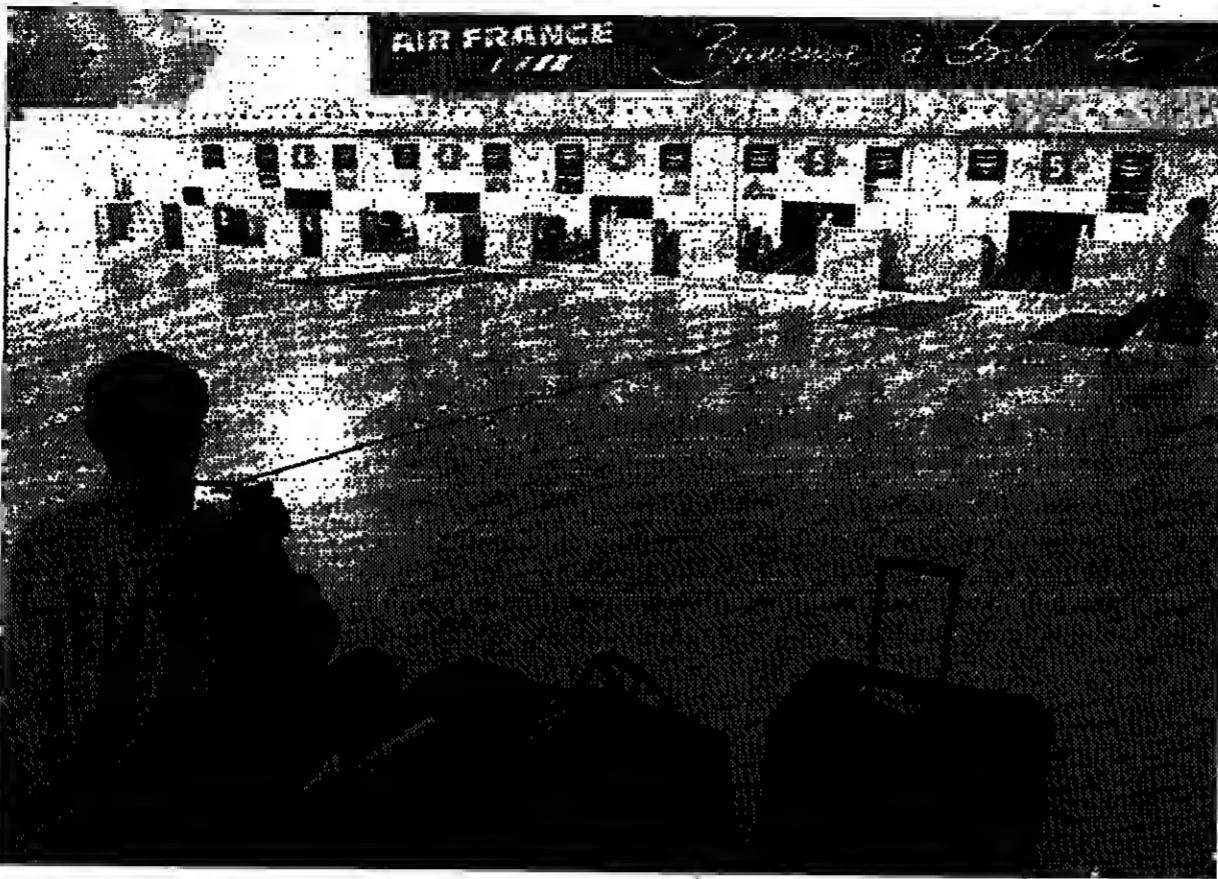
PARIS — With only two days to go before the opening of the World Cup soccer tournament, for which it is the official carrier, the strike-bound state-owned airline Air France stood no chance Sunday of getting back to normal before the world's largest sporting event gets under way.

"The cup will start without the aircraft of Air France," said the pilots' chief negotiator, Jean-Charles Corbet. Even if the stalled talks resumed Monday and came to a swift agreement, the airline said it would take up to three days to get its planes into position to restore scheduled services.

Air France said it would operate only one in four domestic, European and intercontinental flights Monday. It is committed to providing 160 special charter flights to transport the 32 soccer teams around the country in the first round of the tournament.

Chaos at Charles de Gaulle airport near Paris continued, even though baggage handlers obtained a World Cup premium payment and returned to work Saturday. But because of a walkout by technicians, conveyor belts were not operating. This meant that passengers still either had to carry their own bags or wait up to three hours for them to be delivered by truck. With traffic jams at the airport and its approaches worsened by hundreds of trucks, the air conditioning system inoperative because of the technicians' strike and ticket counters besieged by frustrated passengers, there were angry confrontations between staff and travelers.

Meanwhile, railroad ticket inspectors renewed their strike movement Sunday, causing cancellation of three out of four



A passenger videotaping empty Air France check-in desks Sunday at Paris's Roissy-Charles de Gaulle Airport. (AP Wirephoto)

trains on some main lines in southern France. A union representing some train engineers has called for a strike from Tuesday evening to Thursday morning.

World Cup organizers said the labor unrest would not stand in the way of the

opening party Tuesday night, including a carnival-style parade through Paris with 30-ton giant figures surrounded by 4,000 dancers and performers. The parade is expected to draw a million spectators and will be televised around the world. All private traffic will be banned in much of the center of Paris starting Tuesday morning.

The opening game between Brazil and Scotland was scheduled for Wednesday night at the new 85,000-seat stadium at Saint-Denis, just north of the capital, with seats costing up to 7,000 francs (\$1,175) in the luxurious hospitality boxes.

Having failed in two all-night negotiating sessions to sway the Air France management's determination to implement a cost-cutting strategy, the pilots appeared to be relying on the probability of transport chaos during the World Cup to force the government to intervene.

Prime Minister Lionel Jospin said the government stood ready to use its good offices, but not at any price.

The World Cup, he said, would take place normally.

"The French people don't need to take the plane to go to the Cup, and

neither do other Europeans," he said. "And there will be plenty of companies that will transport the rest by plane to the detriment of Air France."

Mr. Jospin said the government stood behind the negotiating strategy of the Air France president, Jean-Cyril Spinetta.

"The future of the national airline depends on improving its competitiveness," he said.

Air France is seeking 500 million francs a year in savings on pilots' wages to help pay for an ambitious expansion program, including the purchase of 70 new aircraft following several years in

which it has not renewed its fleet.

It has proposed exchanging up to 15 percent of cockpit crews' salaries for shares when 20 percent of the company — valued at an estimated 3 billion francs — is offered to the public this year.

A more radical shares-for-salary swap at United Airlines has earned pilots between \$6 billion and \$7 billion in paper value, but the Air France pilots claim they are being asked to take a pay cut.

The unions also oppose a lower salary scale for starting pilots. Air France has agreed to abandon this demand on condition that the entire salary scale be revised to bring it into line with those of competing privatized companies, such as British Airways and Lufthansa, where pilots earn up to 40 percent less. The Air France pilots say they are entitled to more money because they fly for longer hours than those at the rival companies.

Strengthening the management's hand was a poll published Sunday in the newspaper *Le Dimanche*, which indicated that only 17 percent of French people strongly support the pilots, compared with 41 percent who supported truck drivers during a nationwide road blockade last November.

The strike has been criticized by other groups of workers among the 45,000 staff at Air France, who have already had to accept the sacrifices being demanded of the 3,200 pilots. They demanded and obtained a meeting with management Sunday. Unions warned of more labor unrest at Air France if the pilots win their demands. Cabin crew, for example, accepted a two-tier salary scale after a series of walkouts.

■ Courtesy from the Pilots

The Air France pilots offered Sunday to transport ticket holders to the World Cup if the carrier puts on special flights to carry them. Agence France-Presse reported from Paris. The pilots said they would fly the planes without pay.

Francois Bronse, the Air France communications chief, called the offer "a positive gesture."

Iraq Renews Effort To End Sanctions

BAGHDAD — Iraq has decided to halt the influx of food and medical aid shipments from abroad and called on foreign countries instead to support its case for a lifting of UN economic sanctions.

The government, in a meeting chaired by President Saddam Hussein late Saturday, ordered Iraqi agencies "to apologize for not receiving any material aid which could be classified as humanitarian aid."

There was no official explanation for the move. But the decision, which follows an increase in the amount of money that Iraq can raise from UN-authorized oil exports, was seen as part of Baghdad's efforts to press its case for sanctions to be lifted. (AFP)

Clinton Is Facing Tense Zedillo Talk

MEXICO CITY — President Bill Clinton will hear some heated words from President Ernesto Zedillo of Mexico when the two meet Monday. Mexico is still annoyed about a secret U.S. sting operation against Mexican money-launderers.

Mr. Zedillo has promised his countrymen to question their northern neighbor for breaking pledges of bilateral cooperation by carrying out the bold anti-drug operation while keeping Mexico in the dark.

Mr. Clinton and Mr. Zedillo will be joined by other world leaders at a United Nations drug summit meeting in New York.

In a sting called Operation Casablanca, U.S. agents lured Mexican bankers to a fake casino in the United States. As a result, about 150 people were arrested, \$50 million was seized and three Mexican banks were indicted. (Reuters)

Mexican Fires Burn

MEXICO CITY — The first rains of the season have fallen across parts of Mexico and Central America but have not quenched many wildfires that are destroying virgin forests and sending a smoke cloud that is drifting across the southern United States, officials said.

Mexican and American officials predicted that some fires, which have consumed millions of acres of forest and grassland across the region, might continue to rage for several weeks. About 150 fires, 22 of them large, very destructive blazes, were burning. (NTT)

Bishop Honored

GUATEMALA CITY — Government authorities joined priests and thousands of ordinary Roman Catholics to mark the 40th day since the murder of Bishop Juan Gerardi, a lifelong human rights activist.

The bishop was bludgeoned to death April 26, two days after he made public a scathing report on human rights abuses. (AFP)

Battle in Bissau

LISBON — Soldiers exchanged gunfire early Sunday in Bissau, the capital of Guinea Bissau in West Africa, killing up to 10 people, news reports said.

Shooting started about dawn at the military headquarters in Bissau and lasted for more than three hours, the Portuguese news agency Lusa reported. The 10 dead were soldiers, the agency reported. (AP)

For the Record

Three BBC television journalists charged in Yemen with filming without official permission were acquitted Sunday by a San'a court. (Reuters)

CROSSWORD

ACROSS

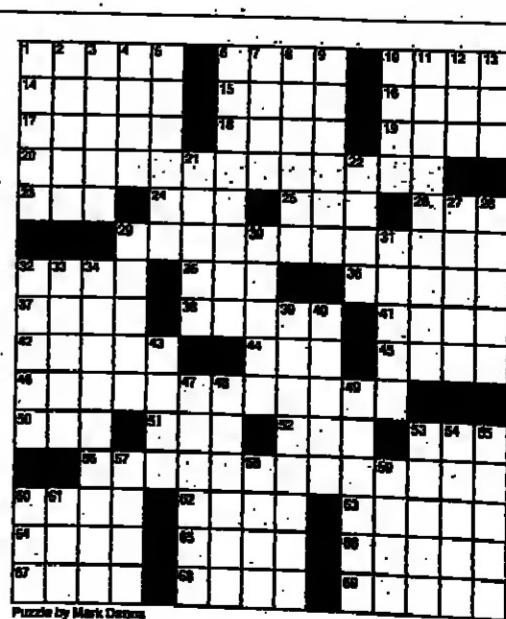
- 1 Feudal workers
- 2 Italian money
- 3 Con artist's art
- 4 Characteristic
- 5 Scent
- 6 Barbershop emblem
- 7 Indy 500 competitor
- 8 Sudding spot
- 9 Landed (on)
- 10 First step for a would-be groom vis-a-vis his intended's father
- 23 Director Craven
- 24 Mauna —
- 25 Arrow's path
- 26 New Deal org.
- 29 Kind of tan, the would-be bride had with mom
- 32 Commode dell'
- 35 AFL's partner
- 36 Into holy matrimony
- 37 Sets of pews
- 38 Namely
- 41 — pin and pick it up ...
- 42 Buttwide, e.g.
- 44 Opposite of WSW
- 45 Coffee servers

Solution to Puzzle of June 6-7

SEATED	COHERENT
ENTIRE	I LOVE YOU
ATHROB	RED ALERT
BREADS	CAAN BET
LAINE KURO VALU	UPSAOOAISY MULCT
EST REP HELLOS	EST REP HELLOS
JESSIES RUM NIP	JESSIES RUM NIP
EKIST AFRIKAANS	APAT AHOY ERICA
APAT AHOY ERICA	MAN OVER GRAVEL
ONEALARM URGENT	ONEALARM URGENT
ISSMAINE HEISSE	ISSMAINE HEISSE
SEEAFTER SLATER	SEEAFTER SLATER

DOWN

- 1 Scarecrow stuffing
- 2 Wipe out
- 3 Pool ball sorters
- 4 Where 1-Across slaved
- 5 Golf shot
- 6 Ladies' man
- 7 — fine
- 8 Greet with loud laughter
- 46 How the would-be groom proposed
- 50 Actor Fernando
- 51 Wedding —
- 52 Letters on a Cardinal's cap
- 53 Shoot the breeze
- 55 What the bride's father did vis-a-vis the reception
- 56 "Neato!"
- 57 Director Kazan
- 58 Kind of lily
- 59 Dull sound
- 60 Notes after do
- 61 Ebb and heap, e.g.
- 62 Peeved
- 63 British gun
- 64 What itics do
- 65 How the would-be bride would be groomed
- 66 Bridge unit
- 67 It's thrown on — bad ideas
- 68 He K.O.d Foreman 10/30/74
- 69 Bumped into
- 70 Take counter-measures
- 71 Be in pain
- 72 Groom carefully
- 73 Gillette razors
- 74 "Siddhartha" writer
- 75 Hauled
- 76 Follow as a moral
- 77 Knight's garb
- 78 TV news exec Arledge
- 79 Common board size
- 80 Tough job for a dry cleaner
- 81 Titho amount
- 82 Warm, pretty
- 83 Library gadgets
- 84 Shoelace hole
- 85 Votes into office
- 86 Funny lady Radner
- 87 Funny man Woody
- 88 Great time, or great noise
- 89 Kind of shoppe One-time phone call cost
- 90 Get-out-of-jail money
- 91 Pennies: Abb.
- 92 "Well, what's this?"



Puzzle by Mark Danner

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مكالمات من الأصل

INTERNATIONAL

Is Israeli Verdict on West Bank Near?**Speculation Mounts as Netanyahu Weighs Choices on Pullout**

By Lee Hockstader
Washington Post Service

JERUSALEM — For Prime Minister Benjamin Netanyahu of Israel, the day of reckoning on Middle East peace may be closing in fast.

After countless delays, lapsed deadlines and expressions of rising frustration on all sides, there is a sense in Israel and Washington that Mr. Netanyahu may at last decide whether to accept a deal with the Palestinians on a West Bank troop withdrawal.

Boldly down to its essentials, Mr. Netanyahu's choice is whether to pull back some troops from parts of the West Bank and risk the political fallout, or sit tight and deal what could be a death blow to the peace process begun in Oslo in 1993. Both American officials and the prime minister's aides suggest that a resolution may be days away.

"This is not something that's going to go on much longer," Secretary of State Madeleine Albright said recently.

Neither option appeals to Mr. Netanyahu. Going forward with an Israeli troop withdrawal from 13 percent of the West Bank — the essence of the compromise proposed by U.S. mediators and accepted by the Palestinians — could jeopardize the shaky rightist coalition government on which Mr. Netanyahu relies.

The most hawkish of his coalition allies have vowed to quit if the American plan is adopted — or indeed if any land is ceded to the Palestinians. As a result, in recent days the prime minister's allies have spoken openly of their options should the coalition collapse. The most feverish speculation surrounds forming a "national unity" government with the opposition Labor Party, which could be counted on to back the troop withdrawal if Mr. Netanyahu's rightist allies did not.

At the same time, Jewish settlers, who fear that their villages and hamlets in the West Bank would be isolated and imperiled by a troop pullback, have mounted an aggressive lobbying effort to kill the American plan. Their campaign, which includes mailing 1 million brochures to Israeli households, aims to sway public opinion against a troop redeployment. But it is directed equally at Mr. Netanyahu, who counted on substantial backing from the settlers in his election victory two years ago.

The prime minister's aides say he is ready to go to the mat with his coalition if he believes he has a good deal with the Palestinians. But U.S. officials, who have been waiting for Mr. Netanyahu to make such a decision for months, are uncoincided.

moves to increase security in the territory and fight terror.

Officials said the draft was about a month old and had undergone a number of changes. But the basic contours of the plan, a three-stage withdrawal over three months with each phase tied to Palestinian commitments, is believed to have remained unchanged since the Americans advanced it this year.

According to the daily Ha'aretz, which reported the details of the American proposal, the plan would give the Palestinian Authority of Yasser Arafat outright control of 18.2 percent of the West Bank, and civil — though not military — jurisdiction over a further 21.8 percent.

■ Israeli Leader Dampens Hopes

Dampening hopes for movement in the stalled Mideast peace process, Mr. Netanyahu said Sunday that no accord was imminent on a West Bank troop pullback. The Associated Press reported from Jerusalem.

The prime minister told his cabinet that "it is not possible to say we are on the verge of an agreement."

Later, he said: "We're working toward reaching an agreement. We're not there yet."

In recent days, speculation had grown that Israel was close to a decision. But the cabinet said Sunday that there was no agreement on a second or third troop redeployment, and that Israel and the Palestinians still did not agree on steps the Palestinians would take in exchange for the Israeli pullbacks.



Moshe Milner/Agence France-Presse

"We're not there yet" on a withdrawal deal, Mr. Netanyahu said Sunday.



Gholam-Hossein Karbaschi, accused of "despotic behavior," addressing judges in Tehran on Sunday.

ayor of Tehran Denounces Accusers**Saying 'Political Scheming,' He Rejects Charges as His Trial Opens**

By Staff From Dispatches

RAN — The reformist mayor of Tehran rejected corruption and denounced "political scheming" on the opening day of his trial in a case that has jolted the regime. Am-Hossein Karbaschi, who died this metropolis of some 10 million people since 1989, was charged with fraud, embezzlement of public funds, misappropriation and "despotic and criminal behavior." He also condemned "confessions obtained by force and illegal pressure," a reference to claims made against him by former colleagues who have been imprisoned for months as part of a wide-ranging probe into corruption.

The mayor was specifically accused of diversion of public funds amounting to around \$5 million dollars, illegal sales of building permits and destruction of wooded areas for property speculation.

The mayor also said that the prosecution was trying to trump up a sex

trial, a move dismissed in court by Mr. Karbaschi in court as "unimportant."

As the trial opened, Mr. Karbaschi rejected the charges against him as "lies," questioned the competence of the judge who compiled the case against him and denounced "political scheming" by conservative opponents in the judiciary.

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EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST**Picking Up the Pieces**

The five internationally recognized nuclear powers, which are also the five permanent members of the UN Security Council, now ambitiously urge India and Pakistan to reverse their nuclear programs. Meanwhile, and more realistically, they appeal to the two new and unrecognized nuclear powers to halt further testing, to swear off weapons deployment and to turn their attention to disputed Kashmir, a possible flash point of their fourth war. These are feasible and essential purposes. The nationalist pride of India and the existential fear of Pakistan make it unlikely that either will soon renounce its nuclear drive. But a residual common sense and their considerable economic dependency are also at work on their policy.

It is being said that the South Asian tests make the nonproliferation treaty and the test ban treaty "worthless" and "irrelevant," and expose a dangerous American overreliance on "pieces of paper." But the 30-year-old nonproliferation treaty merely records a commitment, one no stronger or

—THE WASHINGTON POST.

Don't Fudge on China

President Bill Clinton's visit to China later this month is inextricably entangled in an array of political and security problems that will shadow his trip. He will need to be sure that he does not gloss over the hard issues in his eagerness to improve relations.

Mr. Clinton, for instance, must not push security matters to the margin when he engages the Chinese leadership on commercial opportunities. The administration's banding of technology transfers to China has been sloppy, producing at least one potentially serious breach of rocket-guidance information. Expanding trade is fine, but not at the cost of sensitive military secrets.

China's own transfer of nuclear technology to Pakistan needs to be addressed. Without the Chinese assistance, Pakistan would not have been able to develop the weapons it tested last month. China's previous promises to prevent the sale of nuclear goods to Pakistan have proved unreliable. Unless China now plays a more constructive role in South Asia, it will be difficult to prevent a nuclear arms race between India and Pakistan.

There may also be a temptation to sidestep China's efforts to influence the 1996 presidential election with illicit campaign contributions. A Democratic Party contributor, Johnny Chung, has told federal investigators that he donated money provided by a Chinese aerospace company controlled by the Chinese military. Armed with that knowledge, Mr. Clinton cannot accept China's bland denials of any attempt to

—THE NEW YORK TIMES.

Warn Milosevic

President Slobodan Milosevic of Yugoslavia is incendiary. Forced to accept peace in Bosnia, he is now uprooting thousands of ethnic Albanians from the Serbian province of Kosovo. His military campaign, the largest since the end of the Bosnian war, threatens to ignite a wider conflict in the Balkans. America and its European allies urgently need to increase the pressure on him to desist.

For the last week, Serbian security forces using helicopters and heavy artillery have terrorized ethnic Albanian civilians near Kosovo's border with Albania. Their ostensible objective is to cut off escape routes used by the Kosovo Liberation Army, an ethnic Albanian guerrilla group that has gained strength in proportion to the brutality of Mr. Milosevic's repression. Kosovo's 1.8 million ethnic Albanians make up 90 percent of the province's population. Washington's patience is not infinite.

—THE NEW YORK TIMES.

Other Comment
Make Milosevic a Pariah

For America, Slobodan Milosevic [should be] a pariah. Because of our misplaced gratitude to him for his compromises at Dayton over Bosnia, that is not the signal we are now conveying.

More and more Serbs are beginning to understand that [he] has brought his people nothing but disaster. He has decimated the Serbian population of Croatia, humiliated and impoverished the Serbs in Bosnia, provoked the inexorable exodus of Serbs from Kosovo, and wrecked the economy of Serbia itself. His rule is not eternal.

—Warren Zimmerman,
commenting in *The National Interest*
(Washington).

Don't Expect Real UN Action Against Drug Traffic

By Jeffrey Robinson

LONDON — A two-day Special Session of the General Assembly opens this Monday at the United Nations in New York, intended as a major assault on the global drug problem. By the time dessert and coffee are served Tuesday night, everything will return to business as usual, including the inability of the United Nations to have any effect on the global drug problem.

They have gone this route before. In 1988 the General Assembly adopted the Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Ten years later, a quarter of the member states had still not signed on, and among the rest fewer than 30 bothered passing legislation that even came close to resembling the model in the convention.

The United Nations' impotence stems directly from individual members' interests. Too many countries flourish in the narco-economy.

Worldwide, more money is spent on illicit drugs than on food, making illicit drugs the planet's largest and most lucrative cash crop.

The devastation wreaked by drugs on everything from families to democracies is too often shrouded by glass skyscrapers — witness Miami, now the economic capital of South America. Or

by the dividends of international banking groups — bad loans to Latin America in the 1970s were repaid thanks to drug money. Or by the huge invisible earnings of global financial centers — witness Britain selling its sovereignty in the murky world of offshore banking.

Ultimately, rhetoric is easier than turning the war on drugs into a war on the business of drugs.

As in any multinational industry, drug trafficking thrives on cash flow and reinvestment. Cash from the streets gets put into the world's banking system, moved in and out of shell companies and through secret banking jurisdictions, then repatriated, disguised as legitimate profit.

The United Nations has conceded that as much as \$300 billion worth of drug money is currently immersed in this money laundering cycle. Yet more than 50 UN member states openly sellphony shell companies.

It is not just the Caribbean — the Cayman Islands, for example, with one bank for every 57 citizens. It is also Western Europe (Switzerland, Liechtenstein, Luxembourg, the Channel Islands), the Middle East, Latin America,

Eastern Europe, Africa (Nigeria in particular) and the Pacific.

Two months ago, preparing a French television film based on my book "The Laundrymen," I phoned a company formation agent in London to wonder, bluntly, where I could hide money. The person suggested Nine. Where is that? The person didn't know.

It turns out to be a British Commonwealth sander in the middle of the Pacific, population 2,321. It has been put on the map by Panamanian lawyers acting for Colombian drug barons.

For \$135, white-collar professionals operating legally in UN member states will hook anyone into the network of countries, companies and banks used for hiding dirty money.

Company-formation agents are backseat passengers on this handbag. Sitting up front are otherwise legitimate bankers, lawyers and accountants who have mined colossal fortunes out of brokering dirty money.

The United States has the world's strictest regulations against money laundering — perhaps not surprisingly, as it is the largest consumer of illicit drugs. Yet there are no laws in the United States or in any other member state which hold white-collar professionals criminally responsible for not

knowing that way down the line the ultimate beneficial owner of the money turns out to be a drug baron.

Relying on "plausible deniability," these professionals need only look to their immediate client to claim: "I'm not dealing with a trafficker; I'm doing business with a lawyer."

Requiring them to identify everyone involved at every level back to the ultimate beneficial owner of the money would effectively thwart the traffickers' ability to launder his profits.

And the community of nations should ruthlessly ostracize governments which countenance trafficking and money laundering. Shutting down businesses in member states, that rely on secret banking and phony shell companies in rogue states would send the correct zero-tolerance message. You beat the traffickers by bankrupting them.

But that means taking on globally influential bankers, lawyers and accountants, and at least a quarter of the member states. Where are the politicians with the stomach for this fight?

The writer's books include an updated edition of "The Laundrymen," a survey of the world of money laundering. He contributed this comment to the International Herald Tribune.

Peacemaking Needs Help From Arab Governments, Too

By Henry Siegman

NEW YORK — Leaders of Arab countries friendly to America are deeply disappointed with its role in the Middle East peace process. The Clinton administration has permitted Israel's prime minister, Benjamin Netanyahu, to bring the process to a complete halt without even so much as calling his name.

Arab leaders have good reason to be angry with the United States, especially with the pandering by both Republican and Democratic legislators to the most hawkish sentiment in the American Jewish community.

The unprincipled behavior of Congress and the weakness of the administration threaten to return the region to its violent past, to endanger major American interests and to destabilize the regimes of friendly allies.

But these Arab critics of U.S. policy should look at their own behavior first, for it is less destructive of Middle East peace and, indeed, of the stability of their own regimes.

Nothing is better calculated to destroy what little hope there is of rescuing the Oslo accords than the welcome that Sheikh Ahmed Yassin, the leader of Hamas, has been receiving in recent weeks.

In recent weeks, Sheikh Yassin has been warmly received by leaders of Saudi Arabia, Kuwait, the United Arab Emirates, Qatar and Yemen, not to speak of Iran, Syria and Sudan. Fulminations against Mr. Netanyahu are absurdly inconsistent. One cannot be against Mr. Netanyahu but for Hamas.

After all, it was the terrorist outrages of Hamas in February and March 1996 that doomed the candidacy of Shimon Peres and brought Mr. Netanyahu to power. More of Hamas has been more of Mr. Netanyahu.

Arab leaders who are funneling these funds to Hamas know that at least some of it will be used by Hamas suicide bombers to blow up innocent Israeli women and children.

There was a time when Gulf countries deluded themselves that they could buy protection by paying off terrorists. One would have thought that they learned the folly of that notion after Iraq's invasion of Kuwait, which undoubtedly would have been followed by an invasion of Saudi Arabia had the United States not mobilized Operation Desert Storm.

The Iraqi depredations were

fully supported not only by the Palestine Liberation Organization but also by extremist fundamentalists to whom the Saudis and other Gulf countries were paying protection money.

The support that many in the region are giving Sheikh Yassin and Hamas will destroy prospects for regional peace even more surely than Mr. Netanyahu's policies. This is so because sooner or later Israel will wake up out of their torpor to the destructive implications of the policies pursued by Mr. Netanyahu in the name of security.

The palpable damage that he has done to Israel's security by increasing its isolation in the region and its alienation from traditional friends in Europe, and even from the United States, will not be tolerated by Israel's electorate for long.

An ascendant Hamas, on the other hand, would spell the end of Yasser Arafat.

Arab leaders who are cynically giving red-carpet treatment to Sheikh Yassin — no less than Israel's leaders — should think hard about a basic truth: There is no Palestinian leader on the horizon today who can sell a peace agreement to the Palestinian people that falls short of maximal Palestinian demands — i.e., a full return to the 1967 borders and control of East Jerusalem — other than Yasser Arafat.

Actions that undermine Mr. Arafat, whether pursued by this Israeli government or by Arab regimes, will return the region to the violence and stagnation that will reduce it again to the backwater it has been for so long in the global economy.

This prospect may be acceptable to Mr. Netanyahu, for whom any alternative may be preferable to returning territory to the Palestinians. What is puzzling is why Arab leaders would want to play into his hand.

Such self-destructive Arab actions are part of a larger policy failure. Many Arab countries, particularly in the Gulf, have failed to pursue proactive policies intended to persuade the critical Israeli center, which invariably decides whether a Likud or a Labor government will be in power, that the territorial compromises required for peace will be fully compensated for by the normalize, friendship and stability that will characterize their peaceful relations with Israel.

Instead, they have essentially acted as disinterested parties on the sidelines who are observing developments rather than helping to shape them. Such a passive posture fails far short of the challenges of peacemaking.

The burden of peacemaking, and the risks that go with it, must be assumed by all in the region, not only by Israel and its immediate neighbors.

The writer is a senior fellow at the Council on Foreign Relations. He contributed this comment to the International Herald Tribune.

Making a World Unfit for Frogs?

By Thomas L. Friedman

WASHINGTON — In Canterbury, England, in 1989, the world's leading experts on frogs and other amphibians gathered for their first world congress. In the lobby, in the bar and in chance encounters in the hall, the experts swapped frog stories.

At some point they realized that they were all seeing the same problem: Their frogs and toads were dying, not just in disturbed habitats but in the most pristine nature preserves, from brown roads in Yosemite National Park to golden toads in Costa Rica.

Today the case of the dying frogs is well documented, but still no one knows exactly why they are dying.

Conservationists are asking: Are the frogs the canaries in our coal mine? Miners used to take canaries underground with them; if the canary died, that would indicate the presence of deadly but odorless carbon monoxide and warn miners to flee. Are the frogs sounding such an alarm?

"Things go extinct all the time," said William Brown, science adviser to the secretary of the interior. "But when species like frogs and toads that have been with us since the Jurassic period suddenly start to disappear ... you have to take notice."

Is it something happening about the idea that at a time when everyone is talking about the year 2000 computer bug, Indian and Pakistani nuclear tests and the "information revolution," a group of animals that are so familiar to us all can start to die out without anyone knowing why?

Who knows what is happening to the millions of other species in the atmosphere? Is it rising temperatures?

These questions were worrying enough for the National Science Foundation to bring together in Washington recently a group of top environmental scientists to swap research on what might be killing the frogs. Their emerging consensus: There is no single smoking gun, but rather the combination of all the "insults to the environment" during the last 50 years.

To follow up, Interior Secretary Bruce Babbitt, who attended the seminar, has initiated an interagency task force to monitor the frog decline.

Frogs and other amphibians have very permeable skin, which makes them very sensitive to changes in the environment, whether water or the air. They are one of the first animals to disappear when there are threats to a habitat, because they are so sensitive to water and air degradations," said Roderic Mast, vice president of Conservation International.

"To prevent that, we conservationists create protected areas," said Mr. Mast. "And yet we have creatures like frogs going extinct in protected areas. So that is not enough. It calls into question what is enough."

It also calls into question the distinction too often made between home and away, between protected areas and non-protected areas. Home is where you pollute. Maybe the frogs from Canada and Costa Rica, Yosemite and Australia are telling us that this distinction isn't enough anymore.

Maybe they are telling us that away is home, and if you pollute one you pollute the other. Maybe they are warning us to do something about the silent species we are losing through development and deforestation.

The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1898: U.S. Occupation**

PARIS — [The Herald says in an Editorial:] The Philippine insurgents are not a united and resolute body of men, who can be relied upon to fulfil their boast of driving out the Spaniards. Far from contributing to order, of which the American army of occupation must prove themselves one of the most difficult elements with which it will have to cope. There should be no blundering and delay in taking possession of the Philippines, and for this purpose an army of twenty-five thousand men is necessary.

1948: Vatican Order

ROME — The Vatican put an abrupt halt to activities of some Roman Catholics who have been working for the reunion of Christianity. The Holy Office issued a formal "warning," ordering these Catholics to discontinue holding common worship services with non-Catholics and to stop taking part in public meetings where their religious views are exchanged. The Holy Office said that bishops must see to it that their flock obey this order "to the letter."

HEALTH/SCIENCE

A Simple Prescription Can Add Years to Life

By Jane E. Brody
New York Times Service

NEW YORK — People with bad health habits that they will not or cannot abandon often make excuses: "What's the point of living longer — you'll only spend more years in a nursing home?" or "A healthy life really isn't any longer, it just seems that way." Perhaps the saddest excuse of all comes from 1964 when the U.S. surgeon general issued the first report on smoking and health. Diehard smokers told me, "By the time I get lung cancer, they'll know how to cure it." Thirty-four years later we are hardly closer to curing lung cancer than we were then.

None of these excuses hold up under the scrutiny of sound medical research, and a new study of more than 1,700 men and women followed for 32 years puts the lie to them all. The study, published in April in *The New England Journal of Medicine*, clearly showed that people with healthier habits not only live longer, they live better, experiencing only half as much chronic disability as their less prudent age mates.

The findings strongly suggest that vitality into one's later years is less a matter of genes and more a question of how a person chooses to live. Those who smoked the least, stayed trim and exercised regularly not only lived longer but were less likely to develop disabilities. Even among participants who died, the low-risk people had shorter periods of disability before dying.

In 1980, James Fries, professor of medicine at Stanford University, published a provocative article suggesting that preventive health practices would keep people healthier longer. According to his "compression of morbidity" hypothesis, most people, instead of experiencing a more-or-less steady rate of increasing disability and death starting

at mid-life, could live reasonably well into their 80s, before they begin to die at an accelerated rate. To put it another way, if people could be persuaded to choose more prudent health habits, the majority would reach their ninth decade in good health and then die after a relatively brief period of illness.

Some skeptics challenged Dr. Fries, suggesting instead that practicing good health habits, while likely to add years to life, would also swell the number of years during which people are beset by chronic illness and disability. If true, critics said, this would further overwhelm an already overburdened system struggling to care for millions of elderly Americans with costly, debilitating, lingering health problems.

Nearly two decades after Dr. Fries's proposal, he and his colleagues have data that dispute the naysayers. Their findings indicate that living healthfully would not only add years to life, but also keep people well and able to enjoy life far longer than they otherwise might have.

Although the participants' average age was only 75 at the last assessment, there was every indication that those with healthy habits will on average remain in better health however long they live. Those whose habits put them at lowest risk for health problems delayed the average age at which they developed even minimal disability by nearly seven years — to age 73 as against 66 for those at highest risk.

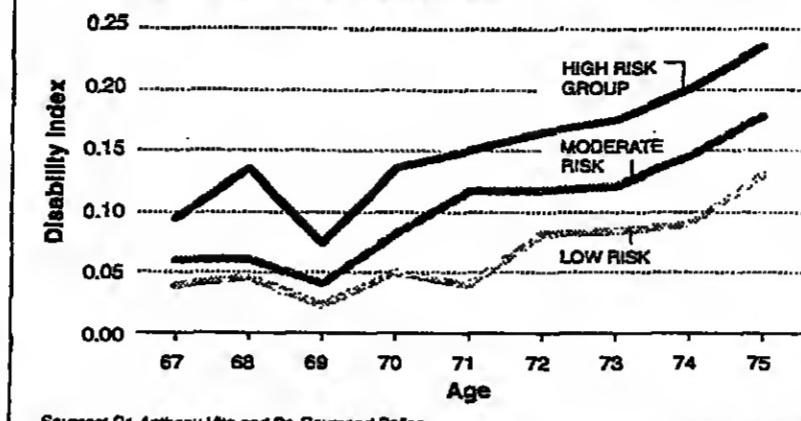
The researchers tracked 1,741 men and women who graduated from the University of Pennsylvania in 1939 and 1940. The alumni were surveyed by other researchers at the time of graduation and again in 1962, 1976 and 1980, before the Stanford team took over and reassessed their health habits and health status annually for seven years starting in 1986.

Participants were classified as being at high, moderate or low risk based on three modifiable factors known to contribute to poor health: cigarette smoking, excess weight and inactivity. At every assessment — even when the participants were only about 43 years old — those at highest risk were more likely to report disabilities than those at moderate risk, who in turn had more disabilities than those at low risk.

Living Longer, Living Better

A study of University of Pennsylvania graduates, classes of 1939 and 1940, indicates that those who practice healthy habits stay free of disabilities longer. Class members were divided into low, moderate and high risk groups based on weight, exercise and use of tobacco.

Those groups then were rated on a disability index based on eight basic tasks: dressing and grooming, arising, eating, walking, bathing and other hygiene, reaching, gripping and executing basic chores. A score of 0.1 indicates some difficulty in performing one of the tasks. A score of 1.0 means some difficulty performing all eight tasks. And the maximum score of 3.0 indicates inability to perform all eight tasks.



Source: Dr. Anthony Vite and Dr. Raymond Salas

Taking Weapons Out of Atom Plants

Can New Fuel Replace Uranium?

By Matthew L. Wald
New York Times Service

WASHINGTON — Now that India has shown the world that it could quietly purify enough plutonium for the five nuclear devices it detonated recently — and probably enough for many more — attention is turning to how to divorce nuclear weapons from nuclear power plants.

A small company based here says it has the answer: by substituting thorium for some of the uranium in fuel for power reactors.

The company, Radkowsky Thorium Power Corp., headed by a physicist who was formerly the chief scientist of the U.S. Naval Propulsion Program, says its fuel could be used in reactors in place of the ordinary uranium fuel, and would produce very little plutonium, a normal byproduct of the reaction when uranium is used. The company plans to test its fuel in 2002 in a Russian reactor that resembles the dominant U.S. design.

Proponents say it could also be offered to countries like North Korea and Cuba, which say they want reactors to generate electric power. But some fear they want reactors mostly to generate plutonium for weapons.

The thorium reactor could also be useful for burning up surplus weapons plutonium — the United States has at least 50 tons of it — without producing nearly as much new plutonium as existing reactors do. And the plutonium it does produce would be a mix of types that makes the weapon prove to "fizzle," or sustain a chain reaction for only a brief period, cutting its explosive yield by 95 to 97 percent.

"It's a lot better than what we've got," said Robert Williams, a physicist at the Princeton University Center for Energy and Environmental Studies. He pointed out, though, that even if production is cut by 80 percent, a large nuclear reactor would still produce enough plutonium each year for several bombs.

The U.S. Energy Department has contributed \$1.1 million to help with the development and Raytheon Engineers & Constructors, which hopes to win engineering work if the system is used, paid \$500,000. Alvin Radkowsky, who was the chief scientist of the Naval Propulsion Program from 1948 to 1972, designed the fuel. But some people

question whether his fuel can compete with existing ones, because the operating characteristics of the existing fuels are so well known.

Developers refer to Mr. Radkowsky's system as a reactor, but it is essentially a new core, replacing the fuel in an existing reactor. Its benefit is to change a characteristic of nuclear reactors that was long considered a virtue but is now a problem: that as they consume the kind of uranium that can be readily split, they make a new kind of atom that can also be split easily, plutonium.

The fuel for nearly all reactors today is uranium-235, which is called "fissile," because it can be fissioned, or split. It is mixed with uranium-238, which is very hard to split.

When the uranium-235 is split, it gives off neutrons that go on to fission other atoms, sustaining a chain reaction. But often a neutron hits an atom of uranium-238, a material that is called "fertile," because instead of being split by the neutron, it absorbs the neutron and changes into a new material, in this case, plutonium-239.

Plutonium is fairly easy to chemically separate from the rest of the fuel when the fuel handle is removed from the reactor. The Radkowsky fuel avoids plutonium production by minimizing the use of fertile uranium. Instead it uses thorium, a material that was tried with uranium in the first civilian reactors in the 1950s and '60s but later dropped in favor of straight uranium fuel. Thorium, cheap and plentiful, cannot be fissioned to produce energy, but it is also fertile, and as it absorbs stray neutrons it is converted to something fissile, in this case, uranium-233.

But uranium-233 is hard to separate from other uranium in the core, and thus is hard to purify for bombs. Thomas Graham, a former negotiator for the U.S. Arms Control and Disarmament Agency who is now president of the Lawyers' Alliance for World Security and a member of the Radkowsky company's board of directors, said that what India had done in the last few years would have been nearly impossible if that country's reactors had used Radkowsky fuel.

Pakistan could still have developed its bombs, however, because its weapons used enriched uranium, not plutonium.

That route to a bomb is much more expensive and difficult, though, he said.

Hyperactivity Drugs Given to the Very Young

By Susan Okie
Washington Post Service

WASHINGTON — Some American children as young as a year old are being diagnosed with attention-deficit/hyperactivity disorder and doctors are treating supposedly hyperactive toddlers with a variety of drugs, including Ritalin, clonidine and Prinzac, a researcher at Michigan State University has determined.

Attention-deficit/hyperactivity disorder affects about 5 percent of school-age children, but experts said there are no accepted guidelines for diagnosing the disorder in children younger than about 4 years old, and no data exist on the safety or effectiveness of drugs for that age group. The Michigan findings, they said, are cause for concern.

"We didn't realize that these medications are used in very young children," said Marsha Rappley, an associate professor of pediatrics at Michigan State University's College of Human Medicine who reported the findings at a medical conference last month. "There really have not been studies of this disorder in children this young."

There are no national figures on how often the disorder is diagnosed in children under 5, but it appears that doctors are increasingly using drugs to treat it in very young children. A new study in another large midwestern state found a

180 percent increase between 1991 and 1995 in the number of prescriptions of stimulant drugs (such as Ritalin) for children 5 years old or younger, said Julie Magno Zito, an associate professor of pharmacy and medicine at the University of Maryland. Dr. Zito is to report the findings this month at a meeting sponsored by the National Institute of Mental Health.

Mothers of children with the disorder often say their children seemed hyperactive from birth. But part of the difficulty of identifying it in very young children is that high energy levels, defiance and impulsive behavior are usually normal in preschoolers. "If you ask most parents with a toddler, 'Is your toddler too active?' they'll say yes," said Robert King, an associate professor of child psychiatry at the Yale Child Study Center.

Dr. Rappley said she decided to find out how frequently the disorder was being diagnosed in children 3 or younger, because she had heard anecdotes about Ritalin and other drugs being used in very young children.

She reviewed claims data for all Michigan children who were continuously enrolled in the federal Medicaid program (which provides health insurance for low-income children) from October 1995 through December 1996, seeking those with a diagnosis of the disorder who were 3 years old or younger at the first date of service. (About

she said it was also unclear whether

the high rate of injuries was a consequence of the children's behavior or a reflection of abuse or neglect.

"We have to worry about that," she said, "because we know that when very young children have very high activity levels and are very hard to take care of, they are at risk for more punitive kinds of discipline."

The U.S. Energy Department has contributed \$1.1 million to help with the development and Raytheon Engineers & Constructors, which hopes to win engineering work if the system is used, paid \$500,000. Alvin Radkowsky, who was the chief scientist of the Naval Propulsion Program from 1948 to 1972, designed the fuel. But some people

LANGUAGE

Hopping With the Euro Into the Y2K

By William Safire

WASHINGTON — No matter what the bankers tell you at the Frankfurt headquarters of the European Monetary Union, the euro is already in circulation.

Aboriginal Australians have long been familiar with the Westralian rock kangaroo, which they call the *uroo*, *wazoo* or *yuro*. English-speaking residents of the continent spell it *euro*: "Wallaby, euro and dingo tracks," wrote LL Cool J in a 1993 novel, "showed how popular this cool rock-hole was."

Those creatures will have to share their name with the European super-currency in a few years. Residents of 11 countries will soon be disdaining francs, marks, guilders, escudos and pesetas, instead insisting their common currency is "sound as a euro."

The Germans wanted to call it the *euromark*. The *mark* was the name of a German, English and Scottish weight traceable to the year 886; in 1946, the *Deutsche mark* replaced the *Reichsmark* and became the symbol of German financial stability. But the French preferred the *ecu*, acronym for the European Currency Unit (and an old silver French coin, similar to the English crown).

The *monnaie* had its moment, honoring Jean Monnet, the European unionist, but that suggestion sounded too much like the English *money*, and the Brits were not even embracing the new currency.

"The Germans insist on *euro*," wrote Nathaniel C. Nash of The New York Times from Brussels in November 1995, a name their finance minister,

example, its subject will be the origin of *doomsayer* and the pronunciation of *Armageddon*. Therefore, I will leave the nerdy technical reasons for the breakdown of expiration dates to charroom eschatologists. (It has to do with space-hungry programmers in the 1960s leaving the first two digits off the year, so that 1965 was written as 65, and oow the computer can't find the 19 to turn it to 20.) We deal here only with the linguistic roots of Y2K.

On Feb. 26, 1995, James Coates wrote in *The Chicago Tribune* about what was being called the Year 2000 Holocaust and the millennium bug: "Once the code that was compiled with the millennium bug written into it is decommissioned, it must be fixed to allow four digits rather than two in what is called the date field."

On Feb. 28, 1996, a Y2K bulletin board appeared on the Internet. Its existence was noted in the world of Old Establishment Media by *The Wall Street Journal* on July 26, 1996. Peter de Jager, co-author with Richard Burgen of "Managing 00," helped popularize the term among the netties, as did Dan Rather of the broadcast network netties. They accepted the old-fashioned symbol of K as *kilo*, 1,000, not as 2 to the 10th power, or 1,024.

If we content providers are aware, the world as we know it is coming to an end at midnight on Dec. 31, 1999. At that moment computers that have not been properly rejiggered assume with perfect binary logic that the Gay Nineties are over and that we're going into the year 1900 and that Diamond Jim Brady is canceling our credit cards. What a moment!

This column understands its scope: At the moment of earthly doom, for

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INTERNATIONAL

In Albania, 'Invisible' Guerrillas

Government Closes Its Eyes as Kosovo Gunmen Rest and Rerarm

By Christine Spolar
Washington Post Service

TROPOJE, Albania — There are signs that Albania is looking the other way as ethnic Albanians from neighboring Kosovo rest here and prepare for a deadly battle back in the province with Serbian forces.

For two months, ethnic Albanians in Kosovo have battled the Serbian-led Yugoslav military, directed by President Slobodan Milosevic, who is trying to liquidate a guerrilla movement seeking independence for the province.

Last week at least 10,000 refugees poured into Albania as the Serbian forces attacked villages near the border. Some sources put the number of refugees at 20,000.

Members of the Albanian Parliament are urging support of Kosovo, which is part of Serbia but has an overwhelming majority of ethnic Albanians.

A former Albanian president, Sali Berisha, whose childhood home is near Tropoje and who is considered a hero in these parts, supports the spirit of the Kosovo independence movement. He called Serbian forces in Kosovo "barbarians" and said the rebels were "blessed."

No one has touched the delicate subject of just what is going on in this border town and its rural surroundings.

At Mr. Berisha's childhood home southeast of here, brawny, sunburned young men wearing green military web belts over T-shirts can be seen milling around the leafy premises of the white brick complex where some of Mr. Berisha's relatives still live.

One wears the red-eagle patch of the Kosovo Liberation Army. Some have pistols and automatic weapons.

As they were loudly turning away a caravan of journalists on a recent afternoon, one nodded to the hill below and quietly told the others, "The truck has arrived."

In the past two months, the Albanian government has been notably restrained in its vigilance along the border. Its army presence, which melted away in the face of civil disorder last year, has been negligible since the Serbian assault in Kosovo intensified May 22.

Few soldiers and little equipment can

be seen near the border. Soldiers are spotted mostly in town.

Border police acknowledge they have little control over the goat paths that traverse the rocky mountains dividing Yugoslavia and Albania. International monitors have reported in the past month that Albanian guards lack basic equipment such as shoes, radios and vehicles.

A border guard who recently spotted an apparent smuggler had to walk two hours to report the incident, monitors from the Organization for Security and Cooperation in Europe said. When he arrived at the reporting station, his shoes had fallen apart, they said.

A border inspector shrugged when asked about the apparent arms traffic by horse, donkey and mule over the mountains. "The Albanian government can't do anything about the guns," the inspector said. "The guns are out there."

At the guard post near a border crossing used by refugees from Kosovo, Albanian guards laugh at their own equipment and their inability to know all that goes around them.

"It's from the Stone Age," said one, describing his 20-year-old military radio.

The difference between the army's supplies and the equipment that is likely passing from Albania to Kosovo is striking.

An arms trade has clearly sprouted in this town. Weapons and gear are displayed by the roadside. Men and even boys no older than 14, walk around freely with new weapons.

Prices in the markets have jumped since the first assault on villages in Kosovo, but there appears to be plenty of money in this dirt-poor country to pay the costs of war.

A Detroit man, Muhammed Gocaj, who is in Albania looking for relatives forced to flee Kosovo by the Serbian attacks, says he believes his donations to the Kosovo rebel movement go to buy arms.

Mr. Gocaj, 64, estimates that he con-

tributes between \$1,000 and \$5,000 to the ethnic Albanians every two weeks or so. "Every time they ask for money, I give," he said. "Everybody I know says they're giving money."

Automatic rifles in a country that was awash a year ago with weapons during civil unrest used to cost \$100 each. This week, men in Tropoje said they were paying \$350 for one. Camouflage uniforms can be had for \$80.

Men in the town square are tense. Some Albanian officials — notably in the Defense Ministry — have dismissed the idea that weapons are being smuggled into Kosovo.

Other Albanian officials have quietly suggested that the trade is fueled by poverty — this country is one of Europe's poorest — and by "people who don't have an allegiance to any flag."

■ Rebels Seeking Volunteers

The Kosovo Liberation Army appealed Sunday for all able-bodied ethnic Albanian men to join the battle for independence, Reuters reported from Pristina, the Kosovo capital.

"The KLA calls on all men from 18 to 55 years to join in the struggle for the liberation of the country," it said in a statement published in the newspaper Koha Dite.

The group urged men who have fled with their families to neighboring Albania to return to Kosovo to fight.

Ethnic Albanians make up about 90 percent of the Serbian province's 1.8 million people. More than 250 people are known to have been killed since February in the Serbian crackdown.

The last week of violence in western Kosovo has left scores, perhaps hundreds, of people dead and their villages razed after Serbian security troops began an operation to reopen roads controlled by the rebels.

The clashes have unleashed a tide of refugees, who cross the mountains into Albania with harrowing accounts of shelling, air attacks and massacres. None of the reports could be confirmed because the battle zone is sealed off by both the Serbs and the insurgents.



Women from an ethnic Albanian family from Kosovo found shelter in the village of Tropoje, north of Tirana, when they struggled with thousands of others over the mountains, evading Serbian troops and police units.

OBSERVERS: Milosevic Agrees to Allow Diplomats Into Kosovo

Continued from Page 1

Milosevic, according to senior American officials.

At least 250 people have been killed, at least 10,000 refugees have fled into Albania and 50,000 people have been displaced from their homes, the British foreign secretary, Robin Cook, estimated in London on Sunday.

The West has done little other than plan new meetings.

"President Milosevic over the past week has crossed the threshold," said Mr. Cook, whose government signed in part to rattle Mr. Milosevic and to press Russia to act more aggressively against its traditional allies, the Serbs.

"I hope the British are prepared to be out there themselves," said a senior American official. "I have the feeling they want to be sure that we're out there."

On Monday, the British will host a European Union foreign ministers meeting to press for the imposition of economic sanctions — an investment ban,

as well as the more symbolic freezing of Serbian assets abroad — that were suspended at Washington's request when Mr. Milosevic agreed to open talks with Mr. Rugova.

The move to impose sanctions is the reversal of an American initiative taken last month by Robert Gelbard, the American special representative for the former Yugoslavia, and Richard Holbrooke, architect of the Dayton accords that ended the war in Bosnia, who had been asked to help break the logjam over Kosovo.

The Americans had pushed European allies to suspend sanctions against Mr. Milosevic, who agreed to meet with Albanian separatists but then unleashed the largest assault since the Bosnian war.

The Europeans complained that President Milosevic had manipulated the Americans, promising to open a dialogue but not promising it would lead to results.

TABOO: Sex Is Talk of America's Towns

Continued from Page 1

Once upon a time, it was bad form in certain circles to speak of a "breast" of chicken. For many years, the word "pregnant" was not uttered on television. Married couples in sitcoms occupied twin beds and television comedy writers were prohibited from using the word "penis" on the air.

All that has changed, and not just in the last six months. Some trace the more explicit conversations about sex back to 1948, when Alfred Kinsey's book "Sexual Behavior in the Human Male" inspired a national discussion of sex.

CANCER: Learning in China

Continued from Page 1

Since the 1980s, the National Science Foundation has funded more than 500 projects dealing with basic science in China, backing everything from geology to physics. Last year, the National Institutes of Health supported more than 80 projects in China, continuing a 10-year trend. The National Science Foundation also funds a center in China for tropical medical research, the Shanghai Institute of Parasitic Diseases.

"The Americans have a long-term approach," said Dong Zhiwei, director of the Cancer Institute and Hospital at the Chinese Academy of Medical Sciences in Beijing. "Most of them are not here to grab a few samples, write a paper and leave. They are looking deeply for solutions."

Most major medical, engineering and computer science departments at U.S. universities have at least one research project in China. Most major American pharmaceutical companies have deals here as well. Some are using China as a giant laboratory for clinical trials or to search for disease-related genes. Others are seeking access to China's wide knowledge of medicinal herbs.

American officials say President Bill Clinton will emphasize health during his summit talks in China later this month. He will have many topics from which to choose.

American doctors and scientists are studying breast cancer in a Shanghai textile factory and lung cancer in a tin mine in Yunnan Province. They are crawling through cave homes in the arid west to determine radon levels and working on a genetically engineered vaccine for a parasite that affects 150 million people in China.

They are taking sperm from chemical industry workers in Wuhan in a fight against liver cancer. They are looking into the genetic basis of asthma in Anhui Province and probing the relationship between diet and longevity in a nationwide study using an enormous base of 500,000 subjects.

"They've got parasites, they've got malaria," said Roy Schwartz, head of the New York-based China Medical Board, which supports medical research in China. "They have some of the highest incidences of certain cancers. They have identified minority groups, so they are genetic gold mine. They are worried about AIDS. They have hepatitis A, B, C, D and E. They are a researcher's dream, a living laboratory."

Then came Masters and Johnson, Shere Hite, cohabitation, gay rights and eventually AIDS.

"So we've had this dialogue for a long time," said Pepper Schwartz, a sociologist at the University of Washington. "What has happened now is that barriers of discussion have been broken in terms of actual acts being done by specific people."

One big reason for that has been the attention lavished by the news media on issues like Jennifer Flowers's account of what she said was a 12-year affair with President Bill Clinton along with Paula Corbin Jones's graphic allegation that the president had propositioned her in a hotel room in Little Rock, Arkansas.

There are many other examples: the coverage of the relationship of Senator Gary Hart of Colorado and Donna Rice; the arrest of Paul Reubens, the actor who played Pee-wee Herman, on charges of indecent exposure; the case of Lorena Bobbitt, who cut off her husband's penis, and the trial of Marv Albert, the sportscaster, on sexual assault charges.

"The opening wedge really was the Bobbitt thing," said Robin Lakoff, a professor of linguistics at the University of California at Berkeley. "That was when people could first say 'penis.' I remember a month there when you could not turn on the television but some news show was saying 'penis' at you."

Then in January, the charges that Mr. Clinton had an affair with a White House intern, Ms. Lewinsky, catapulted oral sex onto the front page, trailing behind it unsubstantiated rumors of such things as a semen-stained dress and rumpled tissues retrieved from the trash. Two months later, the Food and Drug Administration's approval of Viagra put impotence at the top of the news.

Suddenly, men were all over television, testifying about erectile dysfunction. Bob Dole, the former senator, volunteered on CNN's "Larry King Live" that he had used Viagra.

Lerith Baldridge, an authority on manners, tosses a Viagra joke into lectures. Robert Knight, the director of cultural studies for the conservative Family Research Council, recalls parents chattering about Mr. Albert's sexual proclivities on the sidelines of a Little League baseball game in suburban Virginia.

Debra Haffner, president of the Sexuality Information and Education Council of the United States, also volunteers as a Sunday school teacher in Westport, Connecticut, and recently found herself faced with an eighth-grade class's questions about why Ms. Lewinsky might have saved a semen-stained dress.

Dr. Tom Lee, the medical director for Partners Community Health Care, a network of doctors and hospitals in Boston, recalls the discussion that ensued at a meeting at his office when it was announced that one health insurance company would cover the cost of 12 Viagra pills a month.

First there was dead silence. Then a senior executive in her 40s said, "That seems like a lot." Everyone burst out laughing. Dr. Lee said, "Maybe for you!" someone called out.

One colleague told Dr. Lee that she did not believe the estimates of the average number of times couples have intercourse in a month.

"Just to have these conversations is shocking," Dr. Lee said. "People are making references to each other's sexual function that are unprecedented."

ERITREA: Foreigners Flee

Continued from Page 1

but in practice, if someone wants to leave we'll try to help."

■ 3d Party Ruling Sought

Karen Vlick of *The Washington Post* reported from Addis Ababa:

The Ethiopian prime minister, Meles Zenawi, said in an interview that "all-out war" could still be averted if Eritrea agreed to a peace plan allowing a third party to rule on a barren 400-square-kilometer territory that each country claims as its own.

"Do you accept it or reject it?" Mr. Meles said of the plan brokered over the past month by American and Rwandan diplomats. "We said yes. No if, no but."

"Immediately the cloud of war will be removed" if Eritrea also said yes, Mr. Meles said.

Ethiopians were outraged by an Eritrean air strike Friday that hit an elementary school in Mekele. At least 10 children were among the 44 people reported killed. Another Ethiopian official said the casualty rate was high because a plane returned to bomb the crowd that had rushed to aid people injured by a bomb dropped on the first pass.

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CHINA: Consumer Advocate Finds Fame in Ferreting Out Fakes

Continued from Page 1

today's China, where shopping is a national pastime and producing counterfeits a big business; surveys invariably list fake goods as the country's top consumer gripe. But Mr. Wang said China's fast-changing political atmosphere was also behind his success.

"To me, this work is about protecting individual rights, and I think people are responding to that," he said on a recent shopping trip in Beijing. "In the past, our planned economy emphasized a person's contribution to society, not fighting for his interests. That's changing now."

A serious, slightly stout man who speaks as if he is perpetually undercover, Mr. Wang is not at first glance the stuff of which myths are made. But his cunning modus operandi has earned him the gratitude of the Chinese public, who tend to view him as a sort of David for the people against the store owners' Goliath.

It has also made him a good living.

In 1994, China approved a consumer-protection law stating that if a store sells a counterfeit product, the customer can return it for double the purchase price. So, since 1994, Mr. Wang has been scouring stores for counterfeit goods, buying in bulk and demanding double refunds.

Based on this simple — and profitable

— technique, his operation has grown from a one-man show to a company with 10 employees, including a lawyer to sue any stores that balk at refunds.

His Beijing Dahai Commercial Consulting Co. also has a nationwide network of 200 informers who call to report suspected fakes, and a widely publicized hot line where bilked consumers can call for help. Informers are paid for each tip, and the company takes a part of any refund it obtains.

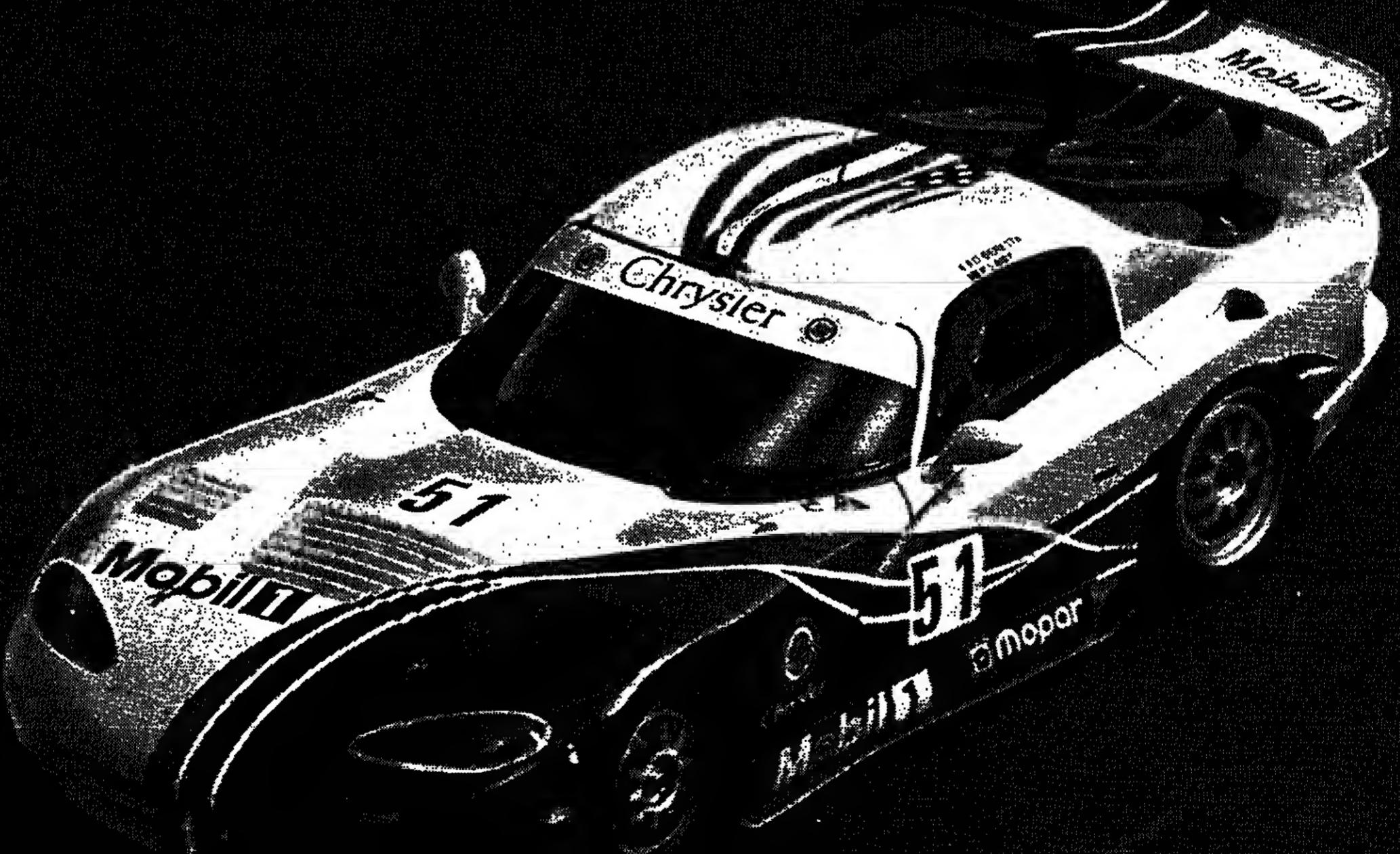
Mr. Wang says that fake compact disks and medicines are a particular problem these days. Pirated CDs account for 90 percent of the Chinese market, he says.

Mr. Wang says he is not against the legion of street hawkers who sell obviously counterfeit goods — like pirated videocassettes of the film "Titanic" — for a tiny fraction of the name-brand price. What irks him are stores' attempts to pass off fake goods as real, so customers do not get their money's worth.

"These products aren't as good," he said.

The company's splashiest success to date was the exposure last year of 200 stores selling counterfeit mobile phones and licenses. The

LE MANS 24 OURS.



U.S. MUTUAL FUNDS

**Figures as of close
of trading Friday, June 05**

This table shows the performance of Nasdaq-listed mutual funds through Friday and includes the top 6,000 funds in terms of assets. There are roughly 16,150 funds currently listed on Nasdaq.

Group names are shown in bold face, with individual fund names in each group indicated below. Funds that are not part of a group are not indented.

NAV is the net asset value, i.e. the portfolio value divided by the number of shares outstanding, as reported by the fund through Nasdaq. NAV reflects all sales or redemption charges. Change shows the variation from the previous Friday.

Name field footnotes: e - available only through a contractual plan; n - no front-end load or contingent deferred sales load; p - fund assets are used to pay distribution costs; r - redemption fee or contingent deferred sales load may apply; t - footnotes p and r apply.

Price field footnotes: n - ex capital gains distribution; 1 - previous day's quote/ticker; s - stock dividend or split.

CAPITAL MARKETS ON MONDAY

Bond Market Keeps an Eye on G-7 and an Ear on Greenspan Testimony

Bridge News

NEW YORK — Between a meeting of leaders from the Group of Seven industrialized countries and testimony to Congress from Alan Greenspan, the Federal Reserve Board chairman, the Treasury bond market will have plenty to watch this week.

But traders and investors say the bond market is likely to be stuck in the same range that has prevailed recently, although the concerns about problems in Asia and other global hot spots will lend a firm toe.

The market's sideways price movement in recent months has occurred as it was squeezed between powerful opposing forces: the strength of the U.S. economy and the problems in overseas financial markets.

The yield on the benchmark 30-year Treasury bond finished at 5.79 percent

last week, down from 5.80 percent the previous week. Even a stronger employment report for May than analysts' expected had failed to dent demand for Treasury paper.

Traders say the strong market reflects the fact that Treasury bonds still look

U.S. CREDIT MARKETS

attractive given the financial and economic problems in Asia and other parts of the world. Those problems also are seen keeping the Fed from raising interest rates in response to the strong growth.

Mr. Greenspan's testimony Wednesday to the Joint Economic Committee of Congress could shake the market out of its recent range. But some analysts said the Fed chairman was unlikely to say anything new.

Steve Van Order, a fixed-income

strategist at Calvert Funds, said the Fed did not have the same freedom the Bank of England exercised Thursday when it lifted interest rates in response to domestic conditions, without regard to the situation worldwide.

"The Fed is caught between that de facto role as world leader of last resort and our own domestic economy," he said.

Ted Ake, co-head of government trading at Everen Securities in Chicago, predicted that Mr. Greenspan's comments will be neutral to positive for the bond market. Mr. Ake said Mr. Greenspan would not want to sound too negative about the financial and economic problems in Asia for fear of scaring more investors out of the region.

Mr. Ake said he expected Mr. Greenspan to mention that there have been some signs of slowing in the economy,

which would be a plus for bonds. But he also expected Mr. Greenspan to make the bond market uncomfortable by talking about tight labor markets.

"When he talks about tight labor markets, you should buy that dip," Mr. Ake said.

Steve Vielhaber, director of taxable fixed income at Bank of America, speculated that Mr. Greenspan might try to talk down the U.S. equity markets.

But Steve Ricciuto, chief economist at ABN-AMRO, said U.S. stock prices had not gone that far recently, so he doubted that Mr. Greenspan would want

to dampen the stock market's fervor.

"I think the only thing he can do is suggest he can't ease, and suggest there are worries on both sides of the equation," he said.

Heading into Mr. Greenspan's testimony, traders will also be watching the meeting of G-7 deputy finance ministers in Paris. There are concerns that the industrialized countries may decide at that meeting to mount a coordinated effort to bolster the yen against the dollar, a factor that could scare foreign investors away from Treasury bonds and result in big sales of Treasury bills

to finance the intervention.

But bond-market players say they doubt that the G-7 will go that route, saying that the weak yen reflects Japan's economic problems and that intervening to support it would be a waste of money until Japan gets its house in order.

Investors seem resigned to more sideways trading in U.S. interest rates for now as the standoff between domestic strength and foreign financial problems continue. But there is a sense that the problem overseas will win out in the end, resulting in higher Treasury prices and lower yields down the road.

Amid Boom,
More People
Go Bust in U.S.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending June 5. Prices supplied by Teltekur.

Australian Dollar

229 Australia Note 6% 06/15/07 104.2500 6.1200

Austrian Schilling

124 Austria 5% 01/15/08 100.4000 4.9800

221 Austria 5% 01/17/07 105.0500 5.3500

247 Austria 6% 07/15/27 110.9500 5.6300

British Pound

142 Birmingham FRN 7.951 01/22/23 95.07000 8.3100

220 London FRN 5.951 01/22/23 95.07000 8.3100

243 Scottish Power 6% 05/20/23 101.1250 6.3700

250 Royal 10% 02/26/01 105.3100 9.2100

Danish Krone

7 Denmark 7 11/15/07 114.1500 6.1300

29 Denmark 7 11/15/07 105.9000 6.1900

32 Denmark 8 12/01/09 102.2400 5.6700

37 Denmark 8 05/15/03 113.7900 7.0300

45 Denmark 7 11/01/24 119.7500 5.6000

47 Denmark 6 11/15/07 105.9000 5.6100

48 Denmark 7 11/01/24 104.9800 5.6200

75 Denmark 8 11/01/93 110.4500 5.7200

95 Royalkredit 6 06/01/29 97.0000 6.1900

107 Nykredit 6 06/01/29 94.3000 6.1900

122 Denmark 9 11/15/08 101.2800 8.2300

125 Nykredit 7 06/01/29 104.4000 6.9100

128 Unikredit 6 10/01/29 96.3800 6.2300

132 Nykredit 4 06/01/26 104.5000 6.0500

140 Nykredit 4 02/01/99 101.0700 5.9400

153 Denmark 6 02/01/99 101.0700 5.9400

207 Denmark Thalis zero 02/01/99 97.3798 4.0700

215 Denmark Thalis 0% 01/31/98 4.0000

Deutsche Mark

2 Germany 5% 01/04/03 102.9913 5.1000

3 Germany 6% 07/09/03 103.0200 5.2000

4 Germany 6% 07/09/03 103.0200 5.2000

5 Germany 5% 01/04/18 103.0284 5.2400

6 Germany 4% 01/04/23 100.1000 4.5000

8 Germany 8 01/21/02 111.9123 7.1500

12 Germany 5% 07/09/03 102.1300 4.9000

14 Germany 6% 07/09/03 102.1300 4.9000

18 Germany 4% 05/17/02 104.3700 4.4200

21 Germany 8% 07/20/00 109.2600 8.0100

22 Germany 6% 05/17/93 100.1500 3.7900

24 Germany 6% 05/17/93 100.1500 3.7900

26 Germany 6% 05/17/02 100.1500 3.7900

29 Germany 7% 01/03/02 109.4629 4.6200

30 Germany 6% 04/26/06 109.4629 5.7100

31 Germany 6% 03/15/00 104.1413 4.2400

32 Treuheld 7% 12/02/02 111.2200 6.6100

33 Treuheld 7% 07/09/03 104.2500 5.3000

35 Germany 8% 07/22/02 105.1500 7.0700

37 Germany 5% 05/15/00 103.3100 5.5900

38 Germany 5% 02/21/01 102.2600 5.1200

41 Germany 6% 02/21/01 102.2600 5.1200

42 Germany 6% 12/17/99 109.4625 4.9000

44 Germany 4% 12/17/99 110.6900 8.1300

48 Treuheld 6% 07/09/03 109.2938 6.0600

51 Treuheld 7% 10/09/03 108.4800 6.2300

52 Treuheld 7% 05/17/02 108.4800 6.2300

53 Germany 6% 08/01/00 102.0300 4.9000

57 Germany 6% 01/05/02 107.6600 5.5700

58 Treuheld 6% 04/23/02 108.5200 5.5900

59 Germany 5% 02/21/01 108.5200 5.5900

61 Germany 5% 02/21/01 108.5200 5.5900

62 Germany 5% 06/01/00 113.0571 7.7400

63 Germany 4% 08/01/00 109.2800 4.4900

64 Germany 5% 02/21/00 109.2800 5.5600

67 Germany Thalis 10% 06/15/98 76.9527 4.2400

68 Germany 4% 11/01/01 109.2800 4.4900

69 Germany 4% 11/01/01 109.2800 4.4900

70 Germany 4% 11/01/01 109.2800 4.4900

71 Germany 4% 11/01/01 109.2800 4.4900

72 Germany 4% 02/22/02 109.2800 4.4900

73 Germany 8% 02/21/00 109.4800 4.4900

74 Germany 8% 02/21/00 109.4800 4.4900

75 Germany 8% 02/21/00 109.4800 4.4900

76 Germany 8% 02/21/00 109.4800 4.4900

77 Germany 8% 02/21/00 109.4800 4.4900

78 Germany 8% 02/21/00 109.4800 4.4900

79 Germany 5% 11/01/00 105.0100 4.5000

81 Germany 8% 05/21/01 111.2300 7.5300

84 Germany 6% 05/21/01 109.3000 6.2300

85 Germany 6% 05/21/01 109.3000 6.2300

86 Treuheld 7% 10/01/00 108.6200 6.2300

87 Treuheld 7% 10/01/00 108.6200 6.2300

88 Treuheld 7% 10/01/00 108.6200 6.2300

89 Treuheld 7% 10/01/00 108.6200 6.2300

90 Treuheld 7% 10/01/00 108.6200 6.2300

91 Treuheld 7% 10/01/00 108.6200 6.2300

92 Germany 7% 12/01/00 108.7322 6.3300

Dutch Guilder**ECU****French Franc****ECU****French Franc****French Franc****French Franc**

GM Heir Apparent Is Leukemia Patient

By Warren Brown
Washington Post Service

WASHINGTON — Harry Pearce, the man believed to be in line to succeed John Smith Jr. as chairman of General Motors Corp., has been diagnosed with leukemia. Mr. Pearce, 55, is continuing on the job as vice chairman. But if his health worsens, it could raise ques-

Amid Boom, More People Go Bust in U.S.

Washington Post Service

WASHINGTON — Despite a booming economy, the number of personal-bankruptcy filings in the United States has escalated, hitting a record last year for the third consecutive year and again in the first quarter of this year.

From 1996 to 1997, filings jumped 20 percent, to 1.35 million, or one in every 70 households. The numbers are causing concern in Congress, where the House and Senate are expected to vote in the next few weeks on legislation making it harder for people to file for bankruptcy. Some lawmakers — backed by banks, credit-card companies and retailers — say that the process is too easy and that too many people with the ability to repay creditors are seeking this relief. Consumer groups and economists say banks and credit-card issuers are to blame for the increase in bankruptcies. Credit is too easy to obtain and available to those who already are financially strapped, they say.

tions about who will assume leadership of the world's largest industrial company when Mr. Smith, 60, retires.

Mr. Smith, who also serves as president and chief executive, has an open-ended agreement to serve as chairman, meaning that his tenure has no term limit. But lately there have been rumors that Mr. Smith might step down in a year or two.

Mr. Pearce was named vice chairman in 1996, a job that gives him oversight of the company's corporate staff and subsidiaries, including Hughes Electronics Corp.

Mr. Smith said late Friday that Mr. Pearce "is currently feeling fine" and "will continue his key responsibilities."

From 1987 through August 1994, Mr. Pearce served as GM's general counsel. He rose to prominence in that position in 1993 by publicly challenging the veracity of a "Dateline NBC" report that accused the company of producing pickup trucks with fuel tanks that could explode in side-impact crashes.

The television magazine show aired videos of trucks with exploding tanks. But Mr. Pearce proved that the scenes were rigged — that the tanks were outfitted with pyrotechnic devices to help ensure that they would explode on impact.

NBC apologized. Mr. Pearce became a corporate hero, albeit one who never sought the limelight. Instead, he worked behind the scenes at GM, helping to modernize the governance of a corporation that, by its own admission, had become mired in tradition. He was elected a GM director and became vice chairman on Jan. 1, 1996.

Mr. Pearce's rise at GM was unusual. By GM's traditional standards, he was an outsider, having arrived in mid-career. Most GM leaders are what the company calls "lifers," people who have been with the corporation their entire working lives.

Making Short-Term Players Pay

More Funds Impose Redemption Fees on Investors Who Back Out

By Maggie Topkis
New York Times Service

NEW YORK — Investors who skip blithely from fund to fund, beware. More funds are imposing redemption fees to trip up those who are flee of foot, fund experts say, and the fees are carrying nasty stings.

Unlike back-end loads, or de-

ferred sales charges — typically used to pay brokers — redemption fees are returned to the fund's asset base. They average 1 percent of the assets being redeemed and are intended to discourage short-term players, like market timers or those who simply change their minds a lot.

The fees, however, are usually not imposed for long. According to Lipper Analytical Services, a research firm based in Summit, New Jersey, the average redemption fee is in effect for about seven months from the date of purchase. After that, investors can get out without paying a toll.

Why are more funds consider-

ing redemption fees? In October, fair-weather investors in the Texas Capital Value and Growth fund yanked 20 percent of the fund's assets in just three days. Mark Coffelt, the fund's manager, said that forced him to sell stocks, many at a profit, resulting in capital gains on

tax-managed funds from the Vanguard Group, which impose a redemption fee that slides from 2 percent to 1 percent.

And some funds are imposing fees regardless how long investors stay. The Oberweis Micro-Cap and Oberweis Mid-Cap funds charge a modest 0.25 percent fee whenever an investor redeems shares.

Some of the rules are a little tricky. At Bridgewater Capital Management, both Bridgewater Ultra-Large 35 Index and Bridgewater Ultra-Small Index come with permanent redemption fees, but with a twist: The 2 percent toll will be assessed, at the fund's discretion, only if an investor sells after the Standard & Poor's 500-stock index has fallen by 5 percent in the five previous trading days.

Permanent fees are perhaps most common among emerging-markets funds, more than 20 percent of which have a redemption fee of some kind, according to Morningstar Inc., the Chicago financial publisher.

INVESTING

which the remaining shareholders had to pay unexpected taxes.

Even those holding funds in tax-deferred accounts can be hurt in such circumstances because the manager can be forced to sell into a market that does not want to buy.

Among the fund companies that are upping the redemption ante is Fidelity Investments, the industry giant. A number of Fidelity funds already carry redemption fees of up to 1.5 percent, typically for redemptions within 90 days of purchase. But the new Fidelity Small Cap Stock fund charges 3 percent — and the fee is levied if an investor skips within the first three years.

A five-year tenure is required by

Is a Merrill-Sanwa Alliance Next?

Bloomberg News

TOKYO — Merrill Lynch & Co., the biggest U.S. investment bank, and Sanwa Bank Ltd., Japan's fourth-largest bank by assets, are in talks about setting up a joint venture and selling mutual funds, Japanese media reported, without citing sources.

That deal would be the latest in a series of alliances between Japanese and foreign financial companies. Japan's Parliament passed four bills Friday to deregulate the country's financial markets by scrapping fixed brokerage commissions and giving

banks, brokerages and insurance companies freer rein to move in on each other's turf. Foreign companies are lining up for a share of the 1.2 quadrillion yen (\$8.59 trillion) of Japanese household assets.

Sanwa Bank is considering ties with foreign financial institutions, but a Sanwa spokesman, who refused to be identified, refused on Saturday to say if the bank was in talks with Merrill Lynch. He said others with other banks would be necessary to provide products that meet customers' demands, adding the bank would be able to get know-how on

services it cannot provide by itself.

The Yomiuri newspaper reported Saturday that Sanwa and Merrill might set up a joint venture to develop asset management systems for mutual funds, while the Mainichi newspaper said the two companies were expected to reach an agreement to sell mutual funds through Sanwa's branches as early as this month.

Merrill could not be reached for comment. It announced in February that it would build a Japanese brokerage aimed at individual investors, hiring 2,000 employees from the defunct Yamaichi Securities Co.

GOLDMAN: Partners of Secretive Club to Convene This Week to Determine Whether to Go Public

Continued from Page 13

partners, Sidney Weinberg, who started at Goldman at age 16 cleaning spittoons.

Weinberg opened the firm to such street-smart partners as Gustave Levy, who invented block-issue trading and built the most profitable arbitrage operation on Wall Street and, later, to driven Ivy Leaguers such as Robert Rubin, now the secretary of the Treasury.

Descendants of the original families no longer own equity in the firm. But even as Goldman became more meritocratic, the firm's old-fashioned, sometimes arbitrary compensation arrangements continued. They helped cement the almost cultlike emphasis on cooperation that is extolled in firm's official business principles.

"We stress teamwork in everything we do," proclaims one of the credo's most frequently cited tenets. "While individual creativity is always encouraged, we have found that team effort often produces the best results. We have no room for those who put their personal interests ahead of the interests of the firm and its clients."

The firm's image as a bastion of global capitalism notwithstanding, there is something oddly socialist about the way its partners divvy up their loot.

Unlike at other Wall Street firms, which tend to lavish money and praise on a handful of star performers, at Goldman senior traders can earn as much as the big rainmakers on the investment banking side. An employee whose department raked in big sales can wind up with a relatively small year-end check if the rest of the firm had trouble.

Because partners get the chance to evaluate one another, the perception by colleagues that a Goldman banker is "not a team player" can cost a bundle at the end of the year.

Top managers at Goldman are as tight-lipped about its compensation methods as Coca-Cola Co. executives are about the recipe for their soda. But the basic elements of the Goldman reward system are well known.

Partners receive a modest (at least by Wall Street standards) base salary of perhaps \$200,000. In addition, they are allocated a sliver of the firm's total equity that partly reflects performance but is tilted heavily to reward seniority and contributions to Goldman's operation as a whole.

Here's the catch: Partners must leave their equity in the firm's account as working cap-

ital until retirement — and even then, they usually are not allowed to get their money out all at once. The current co-chairman, Jon Corzine, has estimated that this locked-in equity typically represents more than 90 percent of a Goldman partner's net worth, and it remains fully exposed to potential losses by the firm for the length of partner's career. That means everyone's fortunes rise and fall together.

In lieu of bonuses, Goldman partners get the bulk of their annual compensation in the form of a payment representing their share of the firm's overall profits for that year — leaving them rich on paper but relatively cash-poor.

To hear competitors and clients tell it, this compensation plan has bred a species of investment bankers that is the high-finance equivalent of the dinosaurs known as vulturecaptors. That is, Goldman partners are skilled and fearless predators — and they always hunt in packs.

Goldman's senior partners have debated going public at least half a dozen times over the past 25 years, employees say — most recently at the firm's annual meeting in 1996. But invariably the proposals have been tabled before coming to a vote of the full partnership, usually because of objections from junior partners who are reluctant to cast out before they have had a chance to accumulate substantial equity in the firm.

This month, however, the idea appears to have taken on new momentum. At a meeting in New York a week ago, Goldman's powerful operating and partnership committees recommended that the full partnership formally consider a public sale. On Monday, Mr. Corzine informed the firm's 13,000 employees in a global conference call that the issue would again be up for discussion at the annual meeting and "will quickly come to a head."

In his announcement, Mr. Corzine — who some guess stands to net more than \$500 million for his stake if the sale goes through — stressed that the question would be "decided by the entire partnership." Inside the firm, however, it is generally accepted that an equity sale, whether an initial public offering or some type of alternative transaction preparing the way for a potential merger, will be presented for vote and win approval soon.

"Most people are expecting that we'll go public," said a young partner who, like all Goldman employees interviewed for this article, agreed to talk about the issue on the

condition that he not be identified. "All of us," he added, "have the expectation that we will be taken care of in some way."

Top executives at several rival investment houses express doubt that, for Goldman, the potential gains of increasing the firm's capital base are worth the risk of upsetting its fragile social compact.

"It doesn't make sense," one said. "To the extent that Goldman is doing this because of competitive concerns, I don't see how any of them will be solved by a public offering."

The executive said that even after an initial public offering, Goldman would not be capitalized in the same league as Salomon Smith Barney or Morgan Stanley Dean Witter.

In the worst-case scenario, an attempt by senior partners to cash out now could trigger mass defections by younger stars who have been toiling in the expectation of much larger rewards when they retire.

"No one is thinking about jumping ship yet," said one young banker, who reasons that the Goldman elders know they will not

get top price for their shares if investors suspect the junior varsity is about to bolt.

It is hard to see how capital constraints are cramping Goldman's style. In all four of its major business areas, the firm appears to be at the top of its game.

Last year, the Goldman Sachs partners reported pretax earnings of \$3.01 billion. In the first quarter of this year, pretax profit was a record \$1.02 billion. Second-quarter results, expected to be disclosed June 16, are likely to be even better.

Over the past two years, the firm has played the lead role in executing a string of complex deals, including the \$13 billion privatization of Deutsche Telekom AG, the largest initial public offering ever; the \$38 billion pairing of Daimler-Benz AG and Chrysler Corp., the largest industrial merger ever; a \$4 billion offering for China Telecom Ltd., the first privatization deal in China; and a \$4 billion bond offering by the government of South Korea, the largest sovereign debt deal in Asia.

BusinessWeek

In this week's issue

- Pointing the way to striking it rich: Business Week's annual Midyear Investment Guide
- Indonesia's investigations could be a nightmare for the multinationals
- It's zero hour in Russia — again
- Could Europe be heading for a long-running expansion, U.S.-style?
- Is Japan's financial industry facing electronic mayhem?

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To our shareholders

We have the honour to invite you to attend the

ANNUAL GENERAL MEETING

of shareholders of our company, which will be held at the registered office of Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg, on June 24, 1998 at 4:00 p.m. for the purpose of considering and voting upon the following agenda:

- Report of the Board of Directors and of the independent Auditor;
- Approval of the Statement of Net Assets and of the Statement of Operations as at February 28, 1998; allocation of the results;
- Discharge to the Directors;
- Statutory appointments;
- Miscellaneous.

Resolutions on the agenda of the annual general meeting will require a quorum and will be taken at the majority of the votes expressed or represented at the meeting.

In order to attend the meeting, the owners of bearer shares will have to deposit their shares five clear days before the meeting with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS.

HEALTHCARE EMERGING GROWTH FUND
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69, route d'Esch, L-1470 LUXEMBOURG
R.C. Luxembourg B-38878

Shareholders are kindly invited to attend the

ANNUAL GENERAL MEETING

of shareholders of our company, which will be held at the registered office of Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg, on June 24th, 1998 at 5:00 p.m. with the following agenda:

- Submission of the Reports of the Board of Directors and of the independent Auditor;
- Approval of the Statement of Net Assets and of the Statement of Operations as at February 28th, 1998;
- Allocation of the net results;
- Discharge to the Directors;
- Statutory appointments;
- Miscellaneous.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the Meeting with no restrictions.

In order to attend the Meeting, the owners of bearer shares will have to deposit their shares five clear days before the Meeting with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS.

LEAF
Société d'investissement à Capital variable
Siège social:
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R.C. Luxembourg B-37 669

To our shareholders

We have the honour to invite you to attend the

ANNUAL GENERAL MEETING

of the Company to be held at the offices of Banque Internationale à Luxembourg, Société Anonyme, 69, route d'Esch, L-1470 Luxembourg, on June 24th, 1998 at 3:00 p.m. with the following agenda:

- Reports of the Board of Directors and of the independent Auditor;
- Approval of the statement of net assets and of the statement of operations as at February 28, 1998;
- Allocation of the results;
- Discharge to the Directors;
- Statutory appointments;
- Miscellaneous.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the Meeting with no restrictions.

In order to attend the Meeting, the owners of bearer shares will have to deposit their shares five clear days before the Meeting with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS.

SHORT COVER

Prada Buys 5% of Gucci Shares

MILAN (Reuters) — Prada, an Italian luxury goods and fashion group, said Sunday that it had amassed a 5 percent stake in rival Gucci Group.

Prada said it had bought the stake for financial benefit and as part of a strategic diversification.

"This operation was financially motivated and is a strategic diversification in the sector in which Prada operates," it said.



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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, June 5

Continued on Page 23

ESSAY
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John VINE

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will be with you.

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ESSAY

Trip Back In Time To 1890s Imperial Order On Parade Again

By John Vinocur

PARIS — One little-noticed detail about this year's World Cup: it takes place in the late 19th century. And this explains why soccer is such big stuff in Europe. It neatly replicates the order of the world when it ran on Paris/Berlin/London time.

Subliminally at least, the 1998 World Cup should temporarily right all the terrible things that have happened to the self-esteem of England, France, and Germany (and their notions of global hegemony) since Queen Victoria played sweater and the Kaiser took corner kicks for Prussia. Looking back a century, if European hearts would dare speak, they'd admit to hankering for a life more exalted than soccer. The World Cup provides it with large.

Look who's dominant, confident and ready-to-rule by the time of the final at the Stade de France: the old Big Three. Plus maybe the Italians, and just possibly the Dutch, both less bent on power projection over the years, but not immune now to a little glory.

Look who's not here, blissfully out-of-sight and out-of-mind, stowing silently in soccer's back of beyond: China and Russia.

And, most of all, look who's present but non-imposing, forcibly modest, incapable of lecturing, leveraging or leaning, apprentices so effacing that the big European bosses almost don't need to remember their names: the United States and Japan.

Continued on Page 21

By Rob Hughes

LONDON — The World Cup, a tournament almost unique in appeal to atheist and Christian, Jew and Muslim alike, is in danger of outgrowing its boots.

When the event opens with Scotland, a minnow, playing Brazil, the champion, at the Stade de France in Saint-Denis near Paris on Wednesday, it will start a World Cup bigger than before, more profitable, more entrenched in the winner-takes-all modern travesty. The marketing people say the best games will be watched by 1.2 billion, a fifth of mankind; and claim the cumulative television audience will total 37 billion over the 64-match schedule.

We must approach it with equal measures of stimulation and trepidation. I have never known a World Cup that does not fill the soul with at least one stirring example of the triumph of human spirit. There is the prospect of Nwankwo Kanu, 21, defying medical prognosis that two years ago forbade him ever to play again. Heart surgery repaired a faulty aortic valve; Kanu's determined spirit did the rest. He could resume as Nigeria's captain against Spain in Nantes on Saturday.

Kanu is one among 704 players at the finals, 22 for each of the 32 teams, which qualified from 200 nations. There are absent stars, such as George Weah of Liberia, Jari Litmanen of Finland and Ryan Giggs of Wales, whose homelands cannot build worthy teams around them. Yet the ever increasing size of World Cups, arising from the politics and promises of Joao Havelange, the president of FIFA, the governing body of world soccer, means there are places for nations which might otherwise be outsiders.

It is no bad thing that Havelange, 83, will step down on the eve of this tournament. But his expansionism — during his reign the World Cup has increased from 16 to 24 and now 32 teams — brings a meeting between two nations which until recently exchanged nothing but hostilities but now can use sport as a bridge: Iran and the United States meet in Lyon on June 21.

"Many people don't know who we are," said Mohammed Khakpour, a defender in Iran's squad. "People ask if I keep a gun or if I ride a camel. Now we have an opportunity to present our culture. We don't have any problem with the American footballers. This is a way to friendship, and to show we are good people." Good winners? Good losers? Or for diplomacy's sake, equals?

It is intriguing, and could be fun. So could the tournament if the ball, and trains, roll fairly. There will be 9,500 media and 2.5 million spectators for whom the cup could become a nightmare. France is suffocatingly accessible to armies of followers many times more numerous than the 10 stadiums that can accommodate. We have seen the portents of

the ticket fiasco, we are forewarned about France's penchant for strikes, and we remain aware of the deadly virus of disruptive, sometimes orchestrated, hooligans.

This will be the playground for millionaires, the

World Cup

The Field Where Dreams and Profits Can Soar



Tickets and corporate hospitality are worth millions more. Sponsors and their commercial rivals are playing games off the pitch. Adidas, the sport equipment manufacturer, is an official sponsor. Nike is not. Nike has built a theme park at La Defense, west of Paris. ISL, the company attempting to protect approved sponsors, has booked the park around the Eiffel Tower where Adidas will tout its wares. Nike, it is said, plans to direct a beam onto the tower, casting an illuminated image over the forbidden territory.

Nike's favored player, Ronaldo, the star striker for Brazil, speaks of attacking Just Fontaine's 1958 record of 13 World Cup goals. And like Piaf, Ronaldo regrets nothing, not even the near blasphemous Pirelli advertisement depicting him in crucifix pose. Bad taste, apparently, is of no concern to a player or his handlers when his income exceeds \$10 million a year. Good taste, the French hope, will be demonstrated in the Yves Saint Laurent suits worn by referees and officials. But perhaps the most conspicuous uniforms will be the ominous outfit of the CRS, the French riot police.

As players pursue the 18-carat World Cup trophy, as the law stays watchful, as the marketers count profit, those aware of soccer's traditions await a shift in the balance of power. In the 68 years since the tournament began, only six nations have won the cup — Italy, Germany, England, Brazil, Argentina and Uruguay from South America. The rest is romance, the hope that someone will break new ground, as Nigeria did to win the Olympic soccer gold two years ago.

Could someone from the "wrong" continent triumph? Only once has the rule that Latin Americans win on their continent, Europeans over here, been broken. That was Pele's first World Cup when Brazil won in Sweden 40 years ago.

Brazil could do it again. They embody, as always, skill and style. Yet Brazil has burdened coach Mario Zagalo with Zico as "assistant coach." Zico, a former great player, has no record as a coach or manager. If confusion weakens Brazil, Argentina, less gifted but tougher, could show that South American stars who play European clubs are acclimated to that continent.

So even if the Germans, as old as Methusela but masters of tournament play, and the Italians make their experience count, the playing field is more even. I hope quality counts. I trust the referees will be consistent. And because it is sport, I hope for surprise. Scotland, in game one, will hope to set a trend by thwarting mighty Brazil. To do so, they must ignore the words of Tommy Docherty, a former team manager now a sage of the after-dinner set. "Scotland," he says, "will be home before the postcards."

ROB HUGHES is the sports correspondent of The Times of London.

Jurgen Klinsmann of Germany ouleaping Wilmer Cabrera of Colombia in a warmup game.

Klaus Lenz/Agence France-Presse

the ticket fiasco, we are forewarned about France's penchant for strikes, and we remain aware of the deadly virus of disruptive, sometimes orchestrated, hooligans.

This will be the playground for millionaires, the

Ronaldo Chases Twin Goals

By Rob Hughes

He was born the son of a caring mother and a hopeless, drug-addict father. He learned soccer on the streets of Bento Ribeiro, a suburb of Rio de Janeiro. At 21, Nazario de Lima Ronaldo Luiz is worth an estimated \$7 million a year, after tax.

Simply known as Ronaldo, he is simply the best of 200 million soccer players on the planet. Exactly 40 years ago, another Brazilian, Pele, blossomed at his first World Cup and became the master of the sport. Ronaldo's destiny is to follow that.

If you set out with a gene pool to design the ultimate player, he would come out pretty close to Ronaldo. You would look for a physique around six feet tall (1.8 meters), the musculature of a middleweight boxer, the speed of a sprinter, the gift to score goals with left or right foot or head as natural as the homing instinct in a pigeon.

You would want him to be a Brazilian because in that populous, multiracial land nothing matters more than the joy of the game. It consumes Brazil irrationally. If you are born into wealth, then you may, like Ayrton Senna, have a license to become a god of the race track. From early manhood to premature death. But lower down the social scale, soccer is potentially the only way out.

What counts is ability and application. Color is not an issue. Pele is black, Gerson and Tostao and Zico are white. Ronaldo is mulatto. Fortunately, he has his mother's good sense, her equable temperament in getting on with life whatever it brings. He hasn't much formal education, but the way he handles stardom, indeed deification, and the way he plays his game make it clear there is sensitivity and intelligence there.

The whole world knows what he does. The best, sometimes the meanest, defenders know the route he will take to goal because it is generally the most direct. Knowing it and stopping it are different things. He is a relative baby in his calling, yet if we must accept Nike's monopoly of modern sporting greatness, he ranks up there with Michael Jordan in basketball, Tiger Woods in golf and Pete Sampras in tennis, all of whom are signed to Nike.

It seems you can buy success. With that, inevitably comes ego. Ronaldo has declared that his aim is to attack the all-time record of 13 goals in a single World Cup, set in 1958 by Just Fontaine of France. The philosophy is uncomplicated: the record, like the mountain, is there to scale. To do it, Ronaldo would have to score more in one World Cup than Pele did in four. He would double the leading total at any of the past six tournaments. The arrogance of youth tells Ronaldo he can achieve it.

"The single most important thing," he says, "is for Brazil to win the World



Ronaldo sharpening his form against Urrutia of Athletic Bilbao.

François Guillot/Agence France-Presse

Cup again. But a team like ours makes six or seven chances every game, so I think Fontaine's record is possible."

Ronaldo has already proved that in any climate and in any team he is a goalscorer for all seasons. At high altitude in La Paz, in the depths of a Moscow winter, on carpet across the desert in Riyadh, he has done his thing. In the leagues of Brazil, the Netherlands, Spain and now Italy, he has netted 223 goals in 263 club games. For the national side, he has amassed 25 goals in 35 matches. No system has yet boxed him in, nor any kick deterred him.

Often when a prodigy grows, the tests come with a first love affair or with wealth beyond imagination. When Ronaldo moved from Barcelona to Inter Milan last year, he had both. With his sweetheart Susana Werner, he stayed in the suite previously used by Diana, Princess of Wales, at Milan's Prince Di Savoia hotel. Inter had paid the equivalent of 147 Ferraris to get him. Ronaldo's mother Sonia had once sold pizzas to feed him.

He knows, and they know, there is no certainty that he can sustain the high life. As a teenager in Eindhoven, he had knee surgery. As a young man, he has visited prison at Milan's San Vittore jail and walked among victims of the Foligno earthquake.

Those realities are set against the dream of outscoring every man who ever lived. "Ronaldo has so much natural ability, he can only get better and better," said Mario Zagalo, the Brazil coach. Zagalo played with Pele. He sums up: "Ronaldo's speed on the ball, balance and dribbling are incredible. Yes, he can rewrite the record books."

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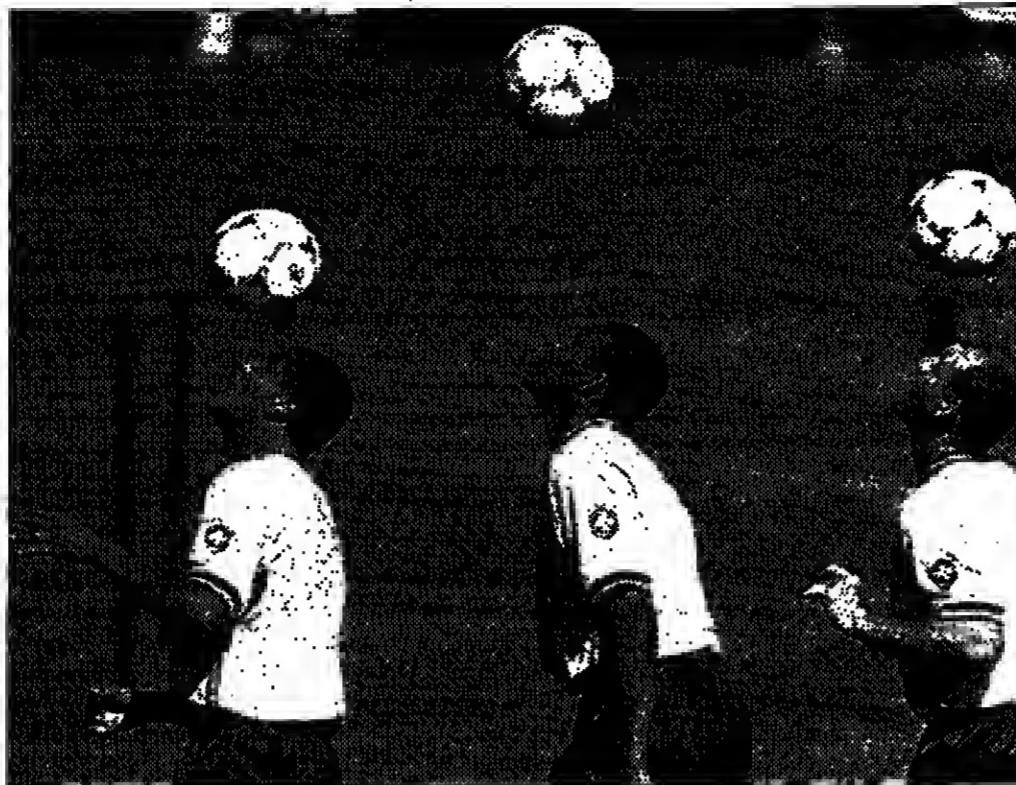
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WORLD CUP / A SPECIAL REPORT



At left, Clarence Seedorf of the Netherlands evading Rigobert Song of Cameroon; center, Brazilians Rivaldo, Junior Baiano and Taffarel using their heads. At right, U.S. defender Tom Dooley tackling Scot Kevin Keegan.

Strengths and Weaknesses of 32 Teams Chasing the Prize

By Rob Hughes

Group A

BRAZIL Brazil has the talent not only to win the World Cup again, but to win it with more style than in 1994. The further Ronaldo, Rivaldo and Roberto Carlos go toward retaining the gold trophy of the Goddess of Victory holding the world aloft, the more joy they will bring to those who can suspend nationalism when they watch the game.

Listen to Franz Beckenbauer, who graced one German World Cup triumph and organized another: "The best striker at my club Bayern Munich is Elber. In fact, he's the best in the Bundesliga. Germany would love to have him, but his country Brazil doesn't need him. They have 10 to 15 forwards of such quality." So are the other 31 nations just playing for second place?

No. Soccer games are not won by artistry alone. Brazil is, as ever, flawed in defense. Goalkeeper Taffarel hasn't the safest hands. Fullbacks Cafu and Roberto Carlos attack so adroitly that they leave gaps. Midfield anchor, Dunga, is 34, and fighting injury.

SCOTLAND The first to challenge Brazil, at the Stade de France on Wednesday, Scotland has nothing to lose but honor. It was a Scot, Charles Miller, who first took a ball to Brazil — and Brits have labored the better part of half a century to win back the ball on the pitch.

Scotland has a chance if Brazil, as is its custom, is slow into its tournament rhythm. The Scots will harass and hound them and try to strike through Kevin Gallacher, a late-blossoming international of genuine pace.

Craig Brown, the coach, is an optimist whose forte is instilling teamwork and spirit that turn meager resources into a presentable whole. For Scotland, Brazil is the World Cup final.

MOROCCO Coach Henri Michel, once a redoubtable fighter for Nantes and for France, returns home with a score to settle. He was removed as the French trainer after leading his country to the 1986 World Cup semifinal in Mexico.

He is in his third year trying to splice his consistency, order and belief into North Africans, whose skills were decorous without being strong. The group is harsh, yet Michel thinks his players are strong enough for second place.

The talents are considerable: Noureddine Naybet, the sweeper; Mustapha Hadji, a midfielder with flair, and Salaheddine Bassir, who has 15 goals in 25 games for Morocco. As a youth in France, Hadji spurned the French Under 21 squad.

NORWAY Remarkably for a land of 4.4 million people, Norway sailed through to its second straight World Cup, scoring 21 goals against two as it went unbeaten in qualifying games.

Coach Egil Olsen was an individualist player, so naturally he organizes collective pragmatism. He is an academic, so Norway plays it without sophistication. It isn't always pretty, but it's hell to break down. High on morale, unstringing on work, Norway absorbs pressure and breaks with effect.

Group B

ITALY Cesare and Paolo Maldini, father and son, coach and captain, hold Italy's destiny. Papa Maldini was six when Italy won the World Cup in France in 1938. Now, a pillar of wisdom, he affects tranquility when surrounded by Italian neurosis. He has restored the customary Italian style: defensive claustrophobia, midfield industry, a touch of attacking flair.

The nucleus of the team played in 1994 when Italy reached the final. But the defense lacks Franco Baresi, who has retired, and Ciro Ferrara through injury.

CHILE The Italians would have prayed for a gentler first opponent than volatile Chile. Ivan Zamorano, who plays for Inter Milan, and Marcelo Salas, who will join Lazio of Rome after the cup, shared 23 goals in qualifying. But a defense that is indifferent to the safety of opposing forwards and a midfield that is industrious rather than inspired meant Chile barely qualified.

CAMEROON In 1990, Cameroon beat Argentina and gave England a fright. Who will forget the audacity of Roger Milla, or the undisciplined kicking that betrayed Cameroon then, and would be red-carded this time around?

Milla hoped to take charge when Cameroon fired the coach Jean Manga Onguene this year. Instead, Claude Le Roy, the Frenchman who charmed Milla and Co. eight years ago, is back.

"I don't think Cameroon has any chance," says Milla. "Everything has been chaotic. Le Roy is good at PR, but that's all."

Le Roy thinks his men have potential. They play in 11 foreign leagues, but have lost midfields Marc-Vivien Foé, a key man for Lens as it won the French league. He has broken his left leg.

AUSTRIA Herbert Prohaska, the coach, squeezed qualification from an aging defense, marshaled by Wolfgang Feiersinger, an ordinary midfield built to support Andy Herzog, and a strike force over-reliant on Toni Polster, 34. Prohaska hopes opponents underestimate Austria, as they did the Czech Republic in 1996. More likely goalie, Michael Konrad, will be overworked.

Group C

FRANCE Diligent coach Aimé Jacquet has built a sound and athletic defense. He has flair in midfield. If only he could find a striker to turn opportunities into goals. Stéphane Guivarc'h, prolific for Auxerre, will be given first crack. Much depends on whether home crowds lift or weigh down *les bleus*.

SOUTH AFRICA Another French coach, Philippe Troussier, is on a mission to undermine his homeland.

"After the anthems and the hype," he says, "it's just 11 against 11. Things will be quite volatile. The French will be unsettled and vulnerable."

Troussier has wandered Africa for a decade. He has coached the Republic of South Africa only since March 1.

South Africa has done well in the African Nations Cup, winning in 1996 and reaching the 1998 final, more impressive in attack than defense.

SAUDI ARABIA Coach Carlos Alberto Parreira is on a seven-month secondment to King Faisal's national team. He rates his No. 10, Saeed Al-Owairan, as a potential star of this World Cup. In 1994, Al-Owairan scored an extraordinary solo goal against Belgium to help the Saudis reach the second round. Parreira was otherwise occupied: coaching his own country, Brazil, to the cup.

In 1994, Nigeria came within three minutes of eliminating Italy. It lost concentration, lost sight of Roberto Baggio who equalized, then won the match in extra time. The 1996 Olympics reversed this: Nigeria came from behind to beat Brazil, the reigning champion, for the gold.

Inevitable squabbles over bonuses between enriched players and ministry ministers will not help. Maybe Bora Milutinovic, the Serb who coaxed Mexico to the 1986 quarterfinals, Costa Rica to round two in 1990, and the United States to the same stage in 1994, will work his short-term spell again.

PARAGUAY Paraguay has already achieved a triumph of faith over tiny resources by qualifying. Two men share the acclaim: José Luis Chilavert, the domineering, demonic but disarming goalkeeper, and Paulo Cesar Carpegiani, the quiet Brazilian coach who somehow suffered Chilavert and organized the rest of a modest bunch into a sum greater than the parts.

Chilavert is almost as brilliant as he says he is. He scores goals from opponents and free kicks, spits in the eye of politicians alike. He was banned for four matches after sparking a brawl with Colombia: Paraguay lost three of those



Sabri Jaballah of Tunisia getting a grip with Austria's Martin Amerhauser.

cope, and the shadow of Spain, always a knockout for Denmark, looms in the second round.

Group D

SPAIN When will Spain reign? One defeat in 32 matches since the last World Cup — and that on a farcical, frosty night at the opening of the Stade de France — shows how difficult Javier Clemente's team is to beat.

Yet at the big event, some mental failing makes Spain inferior. Clemente instills Basque tenacity and his own unfulfilled desire as player chopped down before his prime. But Spain's club season, the longest season in Europe, saps the players' strength.

NIGERIA The players are African, but hardened world citizens to a man. There is no league too good or too strong for Nigerians, and no reason other than internal indiscipline why potential shouldn't be harnessed to World Cup semi-final status.

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games and conceded seven goals, the same number Chilavert let in during 12 qualifiers.

In this group, Paraguay may not go far, but don't dare tell the goalie.

BULGARIA Hristo Stoichkov, Krassimir Balakov, Emili Kostadinov and Trifko Ivanov must do their best to end their era honorably. They were the key men as Bulgaria reached the 1994 semi-finals with marvelous appetite and technique. But they have aged together and no adequate replacements have emerged. It is their last shot together and up to them how much they are willing to sweat to qualify from a fierce group.

Group E

NETHERLANDS Will the Dutch be the sum of their exciting individual parts?

They have the balance of experience and youth, the technique and athletic strength to be among the favorites. The skill is there, the doubt is team spirit.

The group opponents should not worry the Dutch, the battle lies within. Edgar Davids, the catalyst, or the victim, of disharmony that destroyed the Dutch in Euro 96 is back. His combative style might be needed in midfield, but Gius Hiddink, the studious coach, has laid down that neither racial intolerance nor another squabble between young and old cliques will be tolerated.

BELGIUM Tough, experienced and thoroughly organized, Belgium would be content to play second fiddle again to its Dutch cousin because second would mean a place in the next round.

Georges Leekens, the coach, is a realist.

"If we get anything from the first game against Holland it will be a bonus," he says. "Our most important game is Mexico."

SOUTH KOREA The transition from Asia, where South Korea qualified with ease, to the wider world is both a test of technique and mental strength. Cha Bum-Kun, the coach, was the first Korean in the German Bundesliga, where he scored 98 goals in 308 games from 1979-89. With his air force background, he likes discipline and can hurt feelings with brutal home truths.

He blends the nucleus of the 1994 side, which creditably held Spain and Bolivia to draws but went three down to

Colombia: Paraguay lost three of those

Germany before rallying with two late goals, with young players to graduate for 2002.

MEXICO After firing Bora Milutinovic, the Mexicans are now unhappy with the new coach Manuel Lapuente. His restless changes, his search for new faces and young talents bewildered and irritated impatient fans. In goal, Jorge Campos remains colorfully clad but, alas, no taller. In midfield, all hopes lie with Luis Hernandez carrying the team forward. The Hombres lack a scorer of the caliber of the retired Hugo Sanchez and even round two may be too far.

Group F

GERMANY Berti Vogts' Old Boys are champions of Europe. Germany has a history of success and always paces tournaments well, yet this team looks over the hill. There are eight old campaigners in the starting 11 and another four over-30s in the squad. Experience counts, but the sum of it adds up to too many years.

Recalling Lothar Matthaus, 37, rambles with Jürgen Klinsmann, the captain who is a mere 33. "No one pretends they are best friends," said Vogts, "but I asked Jürgen to name an alternative. There aren't any."

USA Three successive World Cup qualifications mark America's progress, but the group is tough. The coach Steve Sampson admits: "Making the second round would be a remarkable achievement. We simply have to take three points off Iran."

Don't bank on it.

The United States plays its own physical style with three at the back, six midfielders, and one willing soldier, Brian McBride, up front. There is a big danger of red cards for disputing many calls.

YUGOSLAVIA Banned under UN sanctions from soccer in 1992, Yugoslavia returns with skills that reinvigorate thoughts that they are the closest thing in Europe to Brazilians.

The cliques that divided old Yugoslav teams give way to nationalistic fervor that should carry this team to the quarterfinals at least. Individual quality abounds: the sweeper Siniša Mihajlović loves the ball as much as any playmaker, the midfielder Vladimir Jugović conquered Europe with Juventus, and Predrag Mijatović, quick and cunning, swooped to score the goal that took Real Madrid to the European Cup. And Dejan Stanković, 19, could be better than any skilful man.

IRAN America beware! When the force is with them, the German-based Iranian trio — Khodadad Azizi, Karim Bagheri and Ali Daei — believe nothing is beyond them. That is why, perhaps, they have higher ambitions than simply beating the United States.

"Now I'm looking forward to playing against Thomas Helmer and Jürgen Kohler," said Azizi. "I scored for Kölner against them when we met Bayern Munich and Borussia Dortmund."

Group G

ARGENTINA Argentina beat 0 in Rio de Janeiro in a war and now a nation believes it can win the World Cup again. Gabriel Batistuta returned and surpassed the 37 record was Diego Maradona's natural record.

The defense has a hard task.

Add Argentina's adaptability and a relatively easy, you have a team with ambition tournament.

JAPAN Takeshi Okada, comes to France with his eyes on the future. Like South Korea, he is not only of 1998 but also of the two nations host the World Cup.

He dropped the veteran star Miura, a 31-year-old who had goals in 86 internationals.

Hidetoshi Nakata, 21, the boy of young Japan, is as eye-catching as his ground skills as his dyed orange hair and watch for a young die-hard fan Shinji Ono, if he gets field chance.

JAMAICAN Reggae Boyz goes to France on June 14. It is Reggae's core of English professionals made the final squad and Samba influence. René Simões, from Brazil, mixes philosophical lessons and romantic ooze.

"We are not coming to advertise tourism," he said.

His friends think otherwise: "We go to France," they said. "We're world champions in there. You will be demoralized."

CROATIA Without the injured Bokšić, the burden will fall on Davor Suker and Goran Vlaović.

"Croatia will be the surprise of the World Cup," pledges Miroslav Stevanović. "We have great technical all corners of the field."

If the mood is right, quarte

a realistic prospect.

ENGLAND The old count Shearer, a scoring force, a Owen, an 18-year-old of substance waiting on the bench. But it is discard the incomparable Ian Paul Gascoigne's depressed run-down body cost him his in turn, fueled another distract break of public hysteria as drunk on soccer hyped through cathartic. Wall someone famous is unbearable.

The defense is shaky, an other play-maker, it is hard can serve England's attack. populace is in an all-or-nothing

TUNISIA In the heat of afternoon, Tunisia may not be comfortable opening game for England has a great his Henryk Kasperczak, Tunis coach. "But we have a his own." Twenty years ago, came the first African side match at the finals: beating Mexico. It also held West Germany, 0-0, in 1970, by Poland midfield was a certain H. Kas

The wheel turns but, being man (or a cagey one), the t

"We are a hard team to be ineffective up front, w

"Europeans' underestimate football," he said. "They th

a lot of talent but little discipline. One day the pupils

masters." He has Nigeria, Tunisia, in mind.

Group H

ARGENTINA Argentina beat 0 in Rio de Janeiro in a war and now a nation believes it can win the World Cup again. Gabriel Batistuta returned and surpassed the 37 record was Diego Maradona's natural record.

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JACQUET

France's 'Foreign Legion' Hopes Hour of Glory Has Arrived

By Christopher Clarey

PARIS — Wines and designs are not the only French products in demand as the 20th century draws to a close. French soccer talent is a popular export as well.

Look in any direction. East to Italy, where Zinedine Zidane is the creative spark and Didier Deschamps the defensive heart of the Juventus midfield. South to Spain, where Christian Karembeu scored crucial goals for Real Madrid in its run to the Champions' League final. North to England, where Arsenal's French coach Arsene Wenger and his French and other foreign recruits have just won the Premier League title and FA Cup. Or west to the United States, which last month expedited the naturalization of a defender, David Ricci, who wasn't considered good enough for France's national team.

France figured out how to modernize its system of player development in the '70s and '80s," said Wenger, "and now it is reaping the rewards."

But can France reap the ultimate reward? Like the modern Olympics, soccer's World Cup was the brainchild of Frenchmen. But France has never reached the final of the event. Jules Rimet and Henri Delaunay essentially launched it in 1930. France has not even qualified for the final phase since 1986, when Michel Platini and his strong supporting cast finished third in Mexico.

Platini made the leap from playmaker to deal-maker; he is co-president of France's World Cup organizing committee and the potential right-hand man of Joseph Blatter, who is bidding to become president of FIFA, world soccer's governing body.

Gallic ambition is not confined to Platini. When Aimé Jacquet, the French coach, announced he would resign after the World Cup, he said: "On July 13, I will say good-bye after having done a victory lap the night before in the Stade

de France; after the French team has been crowned champion."

Those were bold words from a man known for caution but the French prefer bold to boring.

Last summer Jacquet was quoted as saying that "at the highest levels, the idea of beautiful soccer is utopian." Recently he has changed his tune even as he attempts to address a weakness in attack. The strikers he has favored lately — Auxerre's Stephane Guivarc'h; and 20-year-old David Trezeguet of Monaco — have plenty of talent but little international experience.

"We can win and be spectacular," Jacquet said in May. "I now have more offensive weapons at my disposal. I just can't afford to misuse them otherwise I will get buried by the press."

The slender, self-made son of a butcher, Jacquet was not supposed to be France's supreme leader for the most important soccer tournament in its history. It took a stunning collapse to give him the chance.

With two qualifying matches remaining before the 1998 World Cup, France needed only to beat relatively weak Israel or draw with Bulgaria to secure its spot for the United States. Furthermore, both matches were in France. Before Israel's visit, French newspapers reported that coach Gérard Houllier already was discussing a contract extension.

Against Israel, Houllier's team surrendered a 2-1 lead in the final 10 minutes and lost. Against Bulgaria, the score was tied at 1-1 when, with only seconds remaining, Emir Kostadinov scored. The next morning, the French newspaper Libération ran the headline: "France Qualifies! For 1998!"

Those failures cost Houllier and the president of the French soccer federation, Jean-François Fayard, their jobs



Zinedine Zidane holding off Franky Van der Elst of Belgium in a pre-World Cup match.

and presumably some sleep. Jacquet, who had spent nine largely successful seasons coaching Bordeaux, was named interim coach, but he became a fixture as France embarked on a record-setting, 30-match unbeaten streak. The streak ended against Denmark in September 1996, but two months earlier in the semifinals of the European Championships, France was eliminated by the Czech Republic on penalty kicks after a scoreless draw that was an accurate reflection of Jacquet's defensive-minded approach.

Platini's generation lived up to its reputation as "the Brazilians of Europe." The current generation has Zidane, Djorkaeff and several other creative midfielders capable of playing in the Platini tradition. But, lacking

strikers, Jacquet packed his team with hard-marking midfielders for Euro 96.

What mattered more to Jean-Marie Le Pen, the leader of France's far-right party, the National Front, was that Jacquet's team did not look French. "It's a bit artificial to bring players from abroad and call it the French team," Le Pen said during the European championships.

That comment drew quick condemnation and a quick clarification from Le Pen's party, which said he meant only to complain that foreign players had been naturalized quickly to make them eligible. This was wildly inaccurate, but what is true is that France's rainbow soccer coalition reflects both recent immigration patterns and the far-flung places — French Guiana, New Caledonia and the Caribbean islands of Guadeloupe and Martinique — that remain French territories or departments.

It is conceivable that 10 of the 11 players who start against South Africa on Friday will be under contract with clubs outside the country.

"Our team gives you a sense of the socio-cultural mix that is France today," said goalkeeper Bernard Lama, who was born in Guiana and came to mainland France when he was 18.

Marcel Desailly, the powerful AC Milan defender, was born in Ghana; Karembeu in New Caledonia; Lilian Thuram, Trezeguet and Zidane were all born on the French mainland, but Thuram's mother is from Guadeloupe; Lamouchi's parents are from Tunisia; Trezeguet's from Argentina, where he spent much of his youth, and Zidane's from Algeria (they are Kabyles). Djorkaeff's mother is Armenian and his father, Jean, is of Polish and Kalmyk descent.

Jean Djorkaeff also played soccer for France, proof that diversity is hardly new on this national team. Platini, after all, was the son of Italian immigrants, and Raymond Kopa, another French great, was of Polish descent. For the most part, France's team, like the nation it represents, has been more melting pot than mosaic over the years. The only member of the current group to break ranks has been Karembeu, who advocates independence for New Caledonia and has left little mystery about where his allegiance lies.

What is most striking about this generation of French players is not the color of their skin, nor their varied origins. It is their willingness to embrace expatriation anew. The Bosman ruling in 1995, which ushered in an era of American-style free agency in Europe, has led to an exodus from France, where high taxes and low television and gate receipts prevent clubs competing with offers from Spain, Italy and England. France is a contender, but it needs the support of the fair-weather home fans.

"The Frenchman is always critical, so critical that he criticizes himself," Jacquet told France Football magazine.

"The Frenchman is often negative, too, seeing beauty elsewhere but not at home. However, when a big event comes along, when national pride is at stake, he is there. That's what assures me. It will be up to us on the field to deserve that support."

"In Italy, we don't go on the field to play well but to win," said Deschamps. "The mentalities are different. The French fans will always like a 3-3 game better than a 1-0 victory."

Not everyone in France is convinced "les bleus" can gain victory. "Les guignols de l'info," a satirical television show, has been roasting Jacquet for years. This spring Jacquet's character told his team, "Let's practice to get ready for the final." Several players started making telephone calls. "What are you trying to do?" Jacquet's character asked.

"Get a ticket," they answered.

CHRISTOPHER CLAREY is the sports correspondent of the International Herald Tribune



Your Djorkaeff of France trying to outwit Belgian defender Philippe Leonard.

Imperial Order Survives

Continued from Page 19

Long live the 1890s! And throw Brazil, Argentina and Nigeria into the mix as accomplished former colonies who have learned their lessons well, and speak proper European languages.

More to the point, the World Cup not only reveres the global family to a 19th-century hierarchy, but it also reflects that era's not-so-nice commonplaces. Where else does petty nationalism get such a long day in the sun? The French get losing to the somehow comic Belgians pure ignominy, while a French defeat by the Germans is considered part of the honorable course of things; the Norwegians, whose independence came in this century, are just pleased to be invited along for the party, but will bleed as one man in order not to get beaten by the once-imperial Danes.

There's virtually no part of the real world of 1998 where stereotypes and racially tinged subtexts can get as much free rein as they will in descriptions of the World Cup's 30 national teams. The comments won't come near the level of the late 19th century, when racism rose to the level of a pseudo science, but African sides are certain to be characterized as athletic but undisciplined, the Spanish passable but short on finishing power, and the Americans willful but crude.

When it comes to talking about players with natural rhythm, more instinct than tactical sense, God help us if Jamaica plays Brazil.

But there is also a vein of deep *schadenfreude* out there. In the manner of voyagers from Europe's cultural heartlands who set out for America and Japan late in the last century to document their harshness and failings, commentators will delight now in explaining why these two have failed to master this sport

cherished by the rest of the world.

In the case of the Americans, they will be informed that soccer's patience and endurance, nuanced skills and low scores, go against their deepest nature. No quick fixes here, no bursts of violence, no yield in extravagance: how could the Yanks ever get good at this game that is so unlike them?

In the 19th century, German and French visitors to the United States wrote of its "mongrel crowds" and the inherent tensions that soon enough would break the country apart. Now, the problem, as seen from Europe, will be described as sociological: "soccer mom" and the American middle-class' alleged expropriation of the sport, leaving it without organic roots in the working and under classes where soccer is supposed to have its psychic home.

Alongside this kind of thinking, phrenology seems like rocket telemetry. But such junk will flourish over the life of the tournament, and be made to apply to the Japanese too. They will be turned (again) into hopeless copyists, manufacturers of a tiny imitation of the genuine article. Soccer by rote, the analyses will say of the Japanese, condemned, in perpetuity, like the Americans, to miss the point.

The galling thing here is that in all probability the World Cup will imitate a world pecking order that is no more, notions of grandeur gone from this century, and likely from the next as well. The fact is, when the politicians in suits fill the best seats for the final, they'll almost certainly be watching a mirror image of the old order on parade — and winning the cup too.

So: Let's go Paraguay! You can get 'em Tunisian! Come on Cameroon!

JOHN VINOCUR is the International Herald Tribune's senior correspondent.

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WORLD CUP / A SPECIAL REPORT

FRANCE 98
COUPE DU MONDE

GROUP A	GROUP B	GROUP C	GROUP D	GROUP E	GROUP F	GROUP G	GROUP H
Brazil Scotland Morocco Norway	Italy Chile Cameroon Austria	France South Africa Saudi Arabia Denmark	Spain Nigeria Paraguay Bulgaria	Holland Belgium South Korea Mexico	Germany U.S. Yugoslavia Iran	Romania Colombia England Tunisia	Argentina Japan Jamaica Croatia

GROUP A

- 10 June Brazil vs. Scotland, St. Denis, 4:30 P.M.
- 11 June Brazil vs. Nigeria, Montpellier, 8 P.M.
- 12 June Scotland vs. Norway, Toulouse, 8 P.M.
- 13 June Scotland vs. Denmark, St. Etienne, 4:30 P.M.
- 14 June Italy vs. Cameroon, Lyon, 8 P.M.
- 15 June Italy vs. Austria, St. Etienne, 3 P.M.
- 16 June Italy vs. Chile, Bordeaux, 4:30 P.M.
- 17 June Italy vs. Austria, St. Etienne, 3 P.M.
- 18 June Italy vs. Denmark, Lyon, 8 P.M.
- 19 June Italy vs. Paraguay, St. Etienne, 8 P.M.

GROUP B

- 20 June Spain vs. Bulgaria, Lens, 8 P.M.
- 21 June Spain vs. Paraguay, Toulouse, 8 P.M.
- 22 June Spain vs. Morocco, Nantes, 8 P.M.
- 23 June Spain vs. Norway, Marseille, 8 P.M.
- 24 June Spain vs. Saudi Arabia, St. Etienne, 8 P.M.
- 25 June Spain vs. Paraguay, St. Etienne, 8 P.M.
- 26 June Spain vs. Mexico, St. Etienne, 3 P.M.
- 27 June Spain vs. South Korea, Paris, 3 P.M.
- 28 June Spain vs. Mexico, St. Etienne, 3 P.M.
- 29 June Spain vs. South Korea, Paris, 8 P.M.

GROUP C

- 30 June France vs. Saudi Arabia, Lens, 4:30 P.M.
- 31 June France vs. Denmark, Lens, 8 P.M.
- 1 July France vs. Saudi Arabia, Marseille, 8 P.M.
- 2 July France vs. Denmark, Lyon, 8 P.M.
- 3 July France vs. Denmark, Lyon, 8 P.M.
- 4 July France vs. Denmark, Lyon, 8 P.M.
- 5 July France vs. Denmark, Lyon, 8 P.M.
- 6 July France vs. Denmark, Lyon, 8 P.M.
- 7 July France vs. Denmark, Lyon, 8 P.M.
- 8 July France vs. Denmark, Lyon, 8 P.M.

GROUP D

- 9 July France vs. Bulgaria, Lens, 8 P.M.
- 10 July France vs. Bulgaria, Montpellier, 8 P.M.
- 11 July France vs. Bulgaria, Lens, 8 P.M.
- 12 July France vs. Bulgaria, Montpellier, 8 P.M.
- 13 July France vs. Nigeria, Nantes, 8 P.M.
- 14 July France vs. Bulgaria, Paris, 4:30 P.M.
- 15 July France vs. Bulgaria, Lens, 8 P.M.
- 16 July France vs. Bulgaria, Lens, 8 P.M.
- 17 July France vs. Bulgaria, Lens, 8 P.M.
- 18 July France vs. Bulgaria, Lens, 8 P.M.

GROUP E

- 19 July Germany vs. Iran, St. Etienne, 3:30 P.M.
- 20 July Germany vs. U.S., Paris, 8 P.M.
- 21 July Germany vs. Yugoslavia, Lens, 12:30 P.M.
- 22 July Germany vs. Yugoslavia, Lens, 8 P.M.
- 23 July Germany vs. Yugoslavia, Lens, 8 P.M.
- 24 July Germany vs. Yugoslavia, Lens, 8 P.M.
- 25 July Germany vs. Yugoslavia, Lens, 8 P.M.
- 26 July Germany vs. Yugoslavia, Lens, 8 P.M.
- 27 July Germany vs. Yugoslavia, Lens, 8 P.M.
- 28 July Germany vs. Yugoslavia, Lens, 8 P.M.

GROUP F

- 29 July Germany vs. Iran, St. Etienne, 8 P.M.
- 30 July Germany vs. Iran, St. Etienne, 8 P.M.
- 31 July Germany vs. Iran, St. Etienne, 8 P.M.
- 1 August Germany vs. Iran, St. Etienne, 8 P.M.
- 2 August Germany vs. Iran, St. Etienne, 8 P.M.
- 3 August Germany vs. Iran, St. Etienne, 8 P.M.
- 4 August Germany vs. Iran, St. Etienne, 8 P.M.
- 5 August Germany vs. Iran, St. Etienne, 8 P.M.
- 6 August Germany vs. Iran, St. Etienne, 8 P.M.
- 7 August Germany vs. Iran, St. Etienne, 8 P.M.

GROUP G

- 8 August Romania vs. Colombia, Lens, 8 P.M.
- 9 August Romania vs. Colombia, Lens, 8 P.M.
- 10 August Romania vs. Colombia, Lens, 8 P.M.
- 11 August Romania vs. Colombia, Lens, 8 P.M.
- 12 August Romania vs. Colombia, Lens, 8 P.M.
- 13 August Romania vs. Colombia, Lens, 8 P.M.
- 14 August Romania vs. Colombia, Lens, 8 P.M.
- 15 August Romania vs. Colombia, Lens, 8 P.M.
- 16 August Romania vs. Colombia, Lens, 8 P.M.
- 17 August Romania vs. Colombia, Lens, 8 P.M.

GROUP H

- 18 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 19 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 20 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 21 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 22 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 23 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 24 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 25 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 26 August Argentina vs. Japan, Toulouse, 12:30 P.M.
- 27 August Argentina vs. Japan, Toulouse, 12:30 P.M.

LAST 16

- 28 June Argentina vs. Jamaica, Paris, 3:30 P.M.
- 29 June Argentina vs. Croatia, Nantes, 12:30 P.M.
- 30 June Argentina vs. Croatia, Bordeaux, 3 P.M.
- 31 June Argentina vs. Croatia, Lyon, 3 P.M.

QUARTERFINALS

- 1 July Argentina vs. France, Paris, 8 P.M.
- 2 July Argentina vs. France, Marseille, 3:30 P.M.
- 3 July Argentina vs. France, Lens, 3:30 P.M.
- 4 July Argentina vs. France, Paris, 8 P.M.

SEMI-FINALS

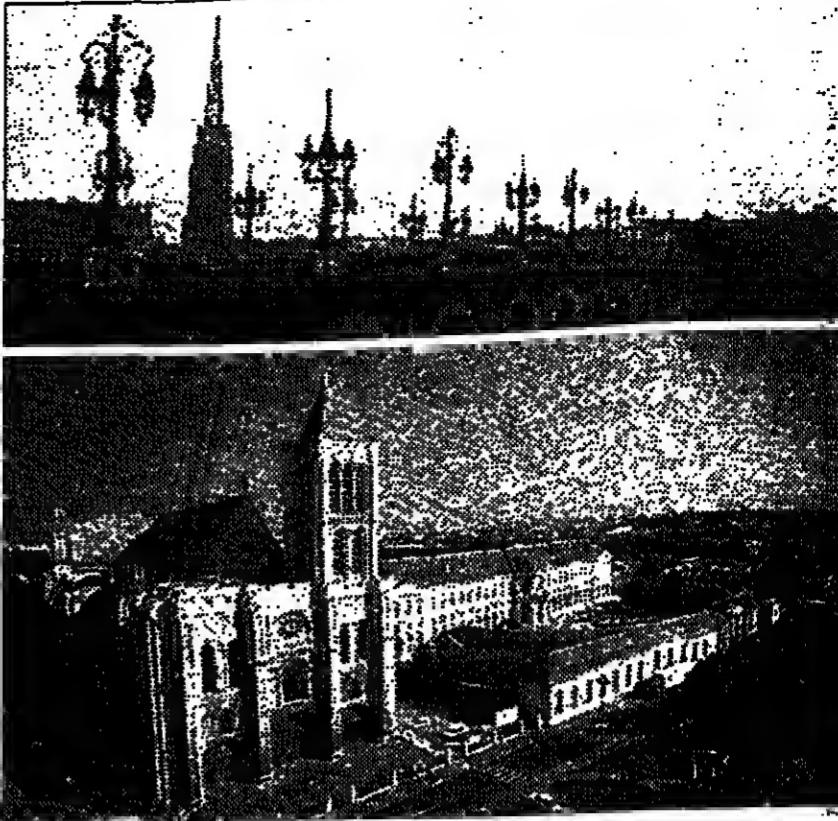
- 5 July France vs. Argentina, Paris, 8 P.M.
- 6 July France vs. Argentina, Paris, 8 P.M.
- 7 July France vs. Argentina, Paris, 8 P.M.
- 8 July France vs. Argentina, Paris, 8 P.M.

PLAYOFF 3rd & 4th

- 9 July France vs. Argentina, Paris, 8 P.M.

FINAL

- 10 July France vs. Argentina, Paris, 8 P.M.



At top, a bridge in Bordeaux; at bottom, the basilica of Saint-Denis.

When Not at the Games: A Mini Guide to 10 Host Cities

BARRY JAMES of the International Herald Tribune writes about what to do, and **PATRICIA WELLS**, the IHT's food critic, looks at the best places to eat.

Bordeaux

Bordeaux was already a great commercial city in Roman times. Its position at the heart of the rolling wine-producing lands of Aquitaine and its extensive trade links with the New World created a fabulously wealthy bourgeoisie that turned Bordeaux in the 18th century into one of the most elegant and cultivated cities of Europe. Super mansions, civic buildings and theaters rise behind an 8-kilometer (5-mile) crescent of quays along the broad estuary of the Garonne River.

Bordeaux's most illustrious mayor was the Renaissance humanist, Michel de Montaigne. His present-day successor is the former prime minister, Alain Juppé. Its ancient university, renowned for theology, law, medicine and the arts, produced not only Montaigne but also the jurist and political philosopher, Montesquieu.

While the wine trade, with an annual production of about 500 million bottles, is the most important industry, Bordeaux has branched out into high-technology sectors such as pharmaceuticals, biotechnology, aeronautics and space.

To see: The Aquitaine Museum. The best place to learn about the history, archaeology and industry of Bordeaux and its region. Musée d'Aquitaine, 20 Cours Pasteur, Bordeaux; tel.: 05 56 01 51 00.

WHERE TO EAT

La Tupina, 6 Rue Porte de la Monnaie, 33000 Bordeaux; tel.: 05 56 91 56 37; fax: 05 56 31 92 11. Closed Saturday lunch, Sunday, and holidays. Hands down, this is one of my favorite bistros in the world. Jean-Pierre Kiraxidas knows what customers want: a bit of romance, a lot of history, a touch of stage set, and a lot of flavor. Whole chickens roasting over an open fire, dense fries cooked in goose fat, fat grilled beef steaks, and lots and lots of well-chosen Bordeaux to wash it all down. Menus at 260 and 270 francs (\$45). A la carte, 250 to 300 francs.

Lens

For more than a century, Lens lived off coal. The collapse of mining that started in the 1960s left the region studded with conical mountains of slag and spurred the modernization and diversification of industry.

The town, which dates back to Roman times, has a history of coming back from disaster. It was completely destroyed in World War I and substantially damaged in World War II. Today, Lens is a thriving center for small and medium-sized companies, specializing in high technology, food-processing, building and distribution.

With a population of 35,000, Lens is the smallest of the World Cup hosts, but it is one of the most avid soccer towns in France. The local team, the Racing Club de Lens, annually attracts many more spectators than Lens has inhabitants.

With neighboring towns, it plans a rich program of cultural events, including street fairs, a flower market and processions with giant carnival figures.

To see: The Canadian Memorial at Vimy Ridge. One of the most moving testimonies of World War I, it preserves the trenches and tunnels of the front lines and offers a magnificent view toward the flat lands of Flanders. A word of caution: stay on the paths, since the area still contains unexploded munitions. On the N17 highway between Lens and Arras; tel.: 03 21 48 72 39.

WHERE TO EAT

A l'Huillière, 3 Rue des Chats Bos-sus, 59000 Lille; tel.: 03 20 55 43 41; fax: 03 20 55 23 10. The lively old town section of Lille includes many restored

storefronts, including this combination fish shop and restaurant, where you will be sure to sample delicate grilled sardines, mounds of meaty steamed mussels, and fresh Saint-Pierre, or John Dory. Closed Sunday evening and holiday evenings. A 260-franc lunch menu. A la carte, 350 to 400 francs, including service but not wine. For outdoor markets in Lille, visit the Marché Place du Concert on Wednesday, Friday and Sunday mornings, and the Marché Place de la Nouvelle Avenue on Tuesday, Thursday and Sunday.

Lyon

Lyon, the ancient Roman capital of the Gauls, matches an illustrious history with a dynamic modern industrial and technological economy.

It is reputed to be the gastronomic capital of France, with fine restaurants and innumerable small bars and bistros known as "bouchons."

The Lumière brothers invented cinema here in 1895, and their achievement is celebrated at the Institut Lumière, one of the nearly 30 museums in the city. Lyon has one of Europe's leading opera houses, and is a center of dance and the contemporary arts.

Lyon was both the heart of the anti-Nazi resistance in World War II and the regional center for the German Gestapo. The old center of the city contains one of the best-preserved Renaissance quarters in Europe. Lyon was a major textile center, reputed for its fine silk. Industries today include metallurgy, electrotechnics, pharmaceuticals, biotechnology, food-processing and plastics.

To see: The museum of the Resistance. A sensitive evocation of life in France during the Vichy regime and under German occupation, the museum is built in the former headquarters of the Gestapo. Centre d'Histoire de la Résistance et de la Déportation, 14 Avenue Berthelot (near the Perrache railroad station); tel.: 04 72 73 33 54.

WHERE TO EAT

Le Con de Lyon, 1 Rue Pleney, 69001 Lyon; tel.: 04 72 28 11 33; fax: 04 72 39 89 05. A classic grand bistro that spans the ages, this is one of Lyon's best-known traditional restaurants with the energetic Jean-Paul Lacome at the helm. Try the earthy local pork sausage with lentils and potatoes, roasted sucking pig ("cochon de lait"), and drink a fruity Chiroches Beaujolais or a white Saint-Véran. A 290-franc lunch menu, including service but no wine. A la carte, about 450 francs.

Le Nord, 15 Rue Neuve, 69002 Lyon; tel.: 04 72 10 69 69; fax: 04 72 10 69 68. Open daily. The famed Paul Bocuse goes brasserie with his restored, 1907 Le Nord, where refreshing Belon oysters, moist roast chicken, a refreshing green salad and state-of-the-art crisp, golden fries can be savored in an atmosphere that is sparkling, hustling and chic. A 120-franc menu. A la carte, 160 francs.

Café des Fédérations, 8 Rue du Major Martin; tel.: 04 72 28 26 00. Closed Saturday and Sunday. Yardlong sausages hang from the ceiling, platters of creamy St. Marcellin cheese weep on the counter, the 1940s black wall phone rings incessantly. This is THE authentic bistro of Lyon, with thick salads of salty posseted pork roast, cured pork sausages, Lyonnaise "caviar" (actually tiny, dark green lentils), not to mention hearty portions of "beef" bourguignon, platters of black bondin blood sausages and a cool Morgan Beaujolais to wash it all down. Menus at 260 and 270 francs (\$45). A la carte, 250 to 300 francs.

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, June 5

(Continued)

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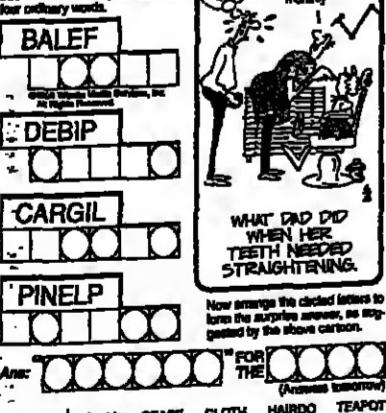
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FRANCE	FF	520	210	60%
GERMANY	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
HONG KONG	HKS	723	309	57%
ISRAEL	NIS	263	105	60%
ITALY	ITL	145,800	56,000	60%
JAPAN	Y	26,000	12,150	53%
MALAYSIA	RMA	182	108	40%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S\$	161	82	49%
SPAIN	PTAS	11,700	5,000	57%
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HAZM

SPORTS

Victory Gallop Wins at BelmontBy Joseph Durso
New York Times Service

ELMONT, New York — The Triple Crown slipped away from Real Quiet in the final strides of the Belmont Stakes when he was run down and beaten by a nose by Victory Gallop, the horse who chased him home in both the Kentucky Derby and the Preakness. The winning margin was the smallest ever that denied a Triple Crown.

The race Saturday was the 130th Belmont Stakes and the most dramatic in 20 years, since Affirmed defeated Alydar by a nose and became the 11th horse in racing history to sweep the Triple Crown. And for the second year in a row, fate foiled Bob Baffert on the threshold of completing his sweep of the Triple Crown.

Last year, Baffert's colt Silver Charm lost the Belmont to Touch Gold by three-quarters of a length. This year, Baffert's Real Quiet was nipped by Victory Gallop and became the 14th horse to surrender the crown in the Belmont. And in one of those twists of fortune, Silver Charm's losing jockey, Gary Stevens, was the winning jockey this year on Victory Gallop.

"It hurts to come this far and not win the Triple Crown," said Kent Desormeaux, who rode Real Quiet in the Kentucky Derby, the Preakness and the Belmont. "I felt as though I touched victory. And it was gone."

Baffert took his second straight loss of the crown with resignation. "He ran a great race, but got tired at the end," Baffert said. "I'm getting closer. Silver Charm by three-quarters of a nose. Real Quiet by a nose. It's sad."

Real Quiet was undone by the rigors of winning three classics in five weeks and by the distance of the third, which stretches for a mile and a half.

At the head of the homestretch, Real Quiet made his famous move, just as he did while winning in Kentucky and Maryland. He even opened daylight to his 10 pursuers, and with a quarter mile to go he had four lengths on Victory Gallop.

But the race was far from finished. Victory Gallop, son of Cryptoclearance, who won the Arkansas Derby last month, cast his shadow on Real Quiet who was starting to wobble from fatigue. Then they were nearing the finish line racing shoulder to shoulder as Real Quiet struggled to hold his edge. But he lost the final bob of the head by Victory Gallop as they crossed, six lengths in front of Thomas Jo.

Afterward, the stewards delayed the result until they examined films of the race. They reportedly were checking to see if Real Quiet had veered into his rival's path, and they reportedly would have stripped him of the victory if he had won it.

Victory Gallop ran his mile and a half in 2:29 flat, paid \$11.60 for a \$2 bet and went home with \$600,000 and redemption. The race was run on an afternoon of resplendent sunshine and cool breezes at Belmont Park, the traditional scene for the finale of the Triple Crown, and it was run with the crowd pushing toward last year's remarkable turnout of 70,682, the largest to watch a horse race in New York in 20 years and the third largest to watch one at Belmont Park.

High-Rise Triumphs in Derby

High-Rise, with Olivier Peslier aboard, won the English Derby, beating City Honors by a nose with third place to Border Arrow, The Associated Press reported from Epsom, England.

High-Rise, an unbeaten colt, was a 20-1 favorite Saturday in the mile-and-a-half race with City Honors 12-1 and Border Arrow 25-1. Sunshine Street, an outsider that led for much of the early going, finished fourth at 150-1.

For Peslier, it was the talented French jockey's fourth ride in the English Derby and his first victory. He was the first French rider in 35 years to win England's most important flat race.

The favorites in the 15-horse field all faltered, including Cape Verdi, who was trying to become the first filly since 1916 to win this race.

Cape Verdi was an 11-4 favorite but finished ninth. Also back in the pack were other prerace favorites like Greek Dance (fifth), Second Empire (eighth), and King of Kings (15th).

The Associated Press
Victory Gallop, foreground, nosing out Real Quiet in a photo finish to win the Belmont Stakes on Saturday.**Battle Lines Form for FIFA Election**

The Associated Press

PARIS — On the eve of the FIFA presidential election, Lennart Johansson lined up his chief backers from around the world Sunday and confidently predicted he would beat his opponent, Sepp Blatter, to take the helm of world soccer's governing body.

"I'm very confident of victory," said Johansson, a Swede who is president of the European soccer federation, UEFA, showing off a long table of stars and dignitaries that included Pele of Brazil.

Blatter, who is FIFA's general secretary and the choice of the outgoing president, Joao Havelange, claimed Friday that he had enough votes to win.

Johansson's supporters included high-ranking officials from FIFA's executive committee and the chiefs of some continental confederations. The

vote Monday, however, will be cast by 192 national federations, and the question remained whether the clout of Johansson's backers would rub off on those voters.

"My troops will be aligned" for Johansson, said Issa Hayatou, head of the African confederation, seen by many as an indicator of how the election will go.

"For Blatter, it's over," said Antonio Matarrese, UEFA's first vice president.

England and France have said they will vote for Blatter, but most other European countries are expected to vote for Johansson.

Many Asian supporters were confident that the majority of their federations would vote for Johansson.

Johansson has said that if he wins he will remove Blatter from the post of FIFA's secretary general.

Apart from Pele, who has no official

position in any federation, the Americas were not represented at Johansson's table, indicating that those federations might be Blatter's strongest power base in the vote.

Pele, who has long had an acrimonious relationship with Havelange, described the president's 24-year reign over world soccer as dictatorial.

"If you trust me, then you can also trust Lennart Johansson, and I would therefore ask you to vote in his favor," Pele said in an open letter.

Johansson promised a tough fight on the voting procedures Monday. While Havelange prefers secret balloting in booths, with only the head of each federation knowing how his country voted, Johansson wants each federation chief to vote in full view of other representatives from his country.

"We will do our utmost to make sure the congress does not result in a mess," Johansson said.

Appleby closed with a flourish to pull within one stroke of the lead at the Kemper Open, The Associated Press reported from Potomac, Maryland.

"I had a chance to separate myself a little bit there when I got to 14-under," said Funk, who made two bogeys over the final five holes and shot a 71 to rest at 12-under-par 201. "Now it's going to be a shootout." Appleby shot a 69 for the day.

Funk's even-par round after being two under for the day through 11 holes also let a lot of other players back into the tournament. Chris DiMarco made a bogey on the last hole and was at 203.

Tommy Tolles, the sweet swinger whose game has suddenly gone sour this year, was three strokes back at 204.

Holding a third-round lead that was as large as five strokes, Fred Funk faltered on the back nine Sunday while Stuart

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On Saturday, the left-handed Chalmers shot a course-record 61 to climb into contention.

Fred Goes Into a Funk

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Westwood Captures English Open by 2 Strokes

The Associated Press

WARE, England — Lee Westwood, encouraged by his improved putting stroke, won his second straight European Tour event Sunday, a 2-stroke victory in the English Open.

The Englishman, a 25-year-old Ryder Cup player, finished 17-under at 271 after shooting a 4-under-par 68 in the final round. Ole Karlsson of Sweden, who shot 66, and Greg Chalmers of Australia, who had a 69, wound up tied for second after 72 holes at the Marriott Hanbury Manor course.

"It has just clicked recently and I'm holing a few putts, which I wasn't before," said Westwood, who reached the top of the European money list for the first time in his career.

■ **Fred Goes Into a Funk**

Westwood, who a week earlier won the IPC of Europe in Hamburg, is 40-under par over his last eight tournament rounds. He led Chalmers by one shot after 54 holes, then trailed by 2 strokes with 11 holes left in the final round.

But Westwood birdied four of the next six holes, dropped a 30-foot (9-meter) par-saving putt on the 16th, then got home safely with pars on the final two holes.

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"I had a chance to separate myself a little bit there when I got to 14-under," said Funk, who made two bogeys over the final five holes and shot a 71 to rest at 12-under-par 201. "Now it's going to be a shootout." Appleby shot a 69 for the day.

Funk's even-par round after being two under for the day through 11 holes also let a lot of other players back into the tournament. Chris DiMarco made a bogey on the last hole and was at 203.

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"I had a chance to separate myself a little bit

SPORTS

Jordan's Flock Heeds Gospel: Never Give In

By Selena Roberts
New York Times Service

CHICAGO — Over the years, Michael Jordan's congregation has listened to him without nodding off or marking grocery lists. Time has passed, and a message has seeped into their souls: Never give in.

So when the preacher needed to be saved in Game 2, when Jordan was weary and worn, it was Steve Kerr and

NBA FINALS

Bennie Rodman, Ron Harper and Toni Kukoc, who found a way. Their efforts helped even the NBA finals with the Jazz in the four-of-seven series that headed back to Chicago for Game 3 on Sunday night.

Jordan has kept the faith in his team. It did not matter that the Bulls entered Game 2 on Friday night down, 1-0, to the Jazz, or that they had lost four out of their last six playoff games, dating to their seven-game series with Indiana.

Through his tired eyes, Jordan continued to search for hope amid the negatives. Before Game 2, he was more upbeat than downtrodden. But was that just a cover for his anxiety?

"I've been confident all along," Jordan said after struggling in the fourth quarter but nevertheless finishing Game 2 with 37 points. "I may have been laughing and joking and changing my mood, but that didn't diminish my confidence. I think a lot of people have said things about our physical tiredness, or whatever, but our mental toughness is there."

"You don't become five-time champions without having some type of mental advantage," he added. "I think right now, we are mentally strong to defend what we have. Physically we may not be as much more physically gifted team, but our mentality counts for something. I don't think that should ever be overlooked."

"Amen. You could almost hear the Bulls say it. Game 2 was over and they had accomplished something few thought they could. They took a home game from Utah at the raucous Delta Center, winning 93-88.

"It was a very important game for us," said Scottie Pippen, who contributed 21 points and started off the game right by attacking the rim with repeated layups. "We didn't think we were going to come in here and lose two games. Everyone in the locker room was upbeat, and we just had to do what we had to do."

They started doing it the moment the

Bulls saw the flare Jordan set up. He was floundering out there in the final three minutes as he missed an easy layup and followed that up with a flat 12-footer that bounced off the rim.

On that last shot, Jordan was panting and became a straggler as Jeff Hornacek streaked ahead to hit a three-pointer. The Jazz had the lead with 1 minute, 46 seconds left in a Game 2 that looked bound to be turned into another subsection of Jordan's fourth-quarter fatigues.

"Jeff hit the big 3 and I think we went back to the huddle and everyone was quiet and focused," Kerr said. "We came back out and took control."

They did it just like Jordan had taught them to do. Whatever it took. As it has in the past, the auxiliary unit suddenly kicked in for Chicago. Fresh power.

There was Kerr, saving his own rebound off a missed three-pointer and then whirling it to an open Jordan for the finish and the foul. The three-point play with 47 seconds left gave the Bulls the lead.

"You look at that play Steve Kerr made," Hornacek said. "It looked like two or three guys jumped at him when he shot that three-pointer, and he gets the rebound. I have to go get him, and he dumps it to Michael. They get a three-point play."

Kerr made the overt impact. But others contributed, as well. Rodman, with his head painted like a tortoise, popped out of his shell. After playing 11 minutes in the first half without a rebound, he jump-started himself.

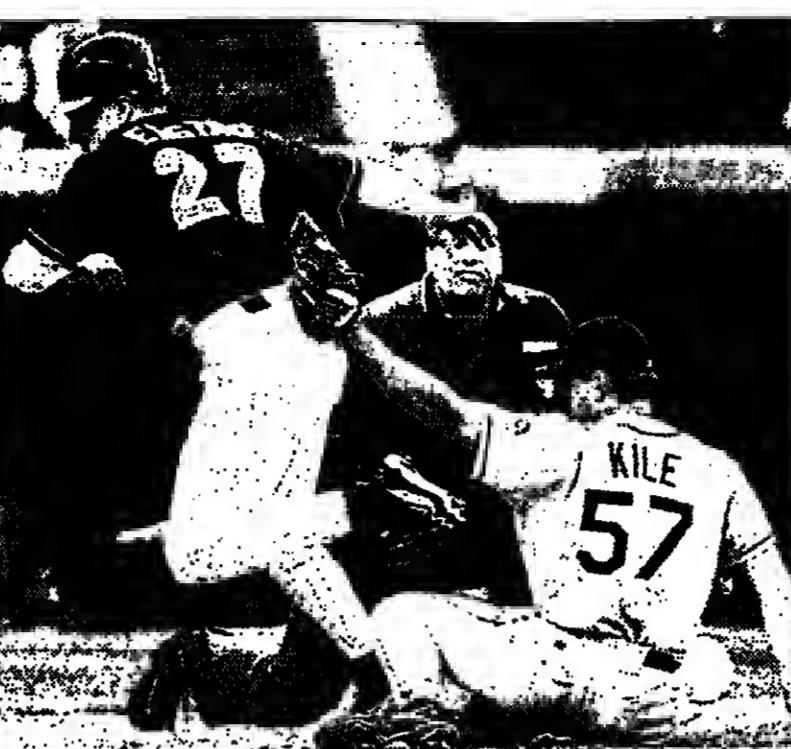
Rodman threw a few elbows and got a little wicked. In the end, after several key rebounds, he smiled a sly grin as he hugged the ball off yet another Karl Malone miss. Now add to this a key steal by Tom Kukoc, plus another steal by Ron Harper, and it allowed Jordan to sit back and breathe for a minute.

"I think there's no question that Michael is wearing down a little bit," Kerr said. "We've seen it in both games of this series. We have to help. The Jazz have a great bench and a lot of scorers. We know we're going to get outscored, but to make a few plays in the game and help our cause, that's all we can do."

The Bulls take their cue from Jordan. If he doesn't give in, they don't give in. If he's optimistic, they are optimistic.

"I feel confident," Jordan said. "I kind of force myself to say, 'Hey, I'm going to enjoy this moment because it may not happen again.' This may be the last time, the last dance, whatever. That's my mood from now on."

Jordan has spoken. The congregation surely took note.



Darin Erstad of the Angels stealing home past the Rockies' Darryl Kile in Anaheim. The Angels triumphed over their National League foe, 2-1.

Osgood to Get His Shot

Wings' Goalie Girds for Stanley Cup Finals

The Associated Press

DETROIT — Chris Osgood was on the bench when Mike Vernon led Detroit to the Stanley Cup last season. Now, he's The Man for the Red Wings.

Detroit, having advanced to the finals for the third time in four years by eliminating the Dallas Stars in six games with a 2-0 victory Friday night, will open the best-of-seven championship series Tuesday against the Eastern Conference champion Washington Capitals at Joe Louis Arena.

Last year, Osgood watched as Vernon, who now plays for San Jose, went 16-4 during the playoffs, leading the Red Wings to their first Stanley Cup in 42 years. Now it's his turn to give it a shot.

"Seeing what goes on for the two weeks and seeing the team play and being part of it, you can't replace it," Osgood said, referring to last year. "I'll use that for the next series."

The Red Wings had a 31-26 shot edge in Game 6, adding to Dallas' frustration Friday by opening the scoring with a short-handed goal, their second of the series. With a few seconds left in Kris Draper's roughing

penalty, Larry Murphy beat Ed Belfour with a backhander at 6 minutes, 20 seconds into the first period.

"It was huge," Scotty Bowman, the Detroit coach, said. "That first goal is so big against this kind of team."

Detroit, bidding to become the first team since the Bowman-coached Pittsburgh Penguins in 1992 to repeat as league champion, kept up the pressure. The Red Wings outshot Dallas, 14-7, in the first period and had several more quality chances, but Belfour turned them back.

Sergei Fedorov then scored his first goal in eight games — since the Wings' second-round series with St. Louis — on a shot from the top of the slot at 1:48 of the second period.

Six appears to be a magic number for Detroit. The Red Wings also needed six games to advance past Phoenix and St. Louis in the first two rounds.

A year ago, the Red Wings got blown out in Game 5 of the conference finals at Colorado, rebounded to finish the series in Game 6, then swept the Philadelphia Flyers in the Stanley Cup finals.

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Cox Bags 1,000th Victory

Braves Triumph as Interleague Play Begins

The Associated Press

Bobby Cox didn't have to sweat out his 1,000th victory as manager of the Atlanta Braves.

Javy Lopez homered in a four-run first inning against Mike Mussina and the Braves breezed past Baltimore, 10-5, on Saturday, their first victory against the Orioles in five interleague games over two years.

Cox became the 19th manager in major-league history to win 1,000 games with the same team. He also moved within five victories of becoming the

Ken Griffey Jr. hit his AL-leading 23rd homer for the Mariners.

Konerko, who had four RBIs, gave the Dodgers their first win in four games in Seattle since interleague play began last season when he led off the sixth with a 43-foot shot off Bobby Wells (0-1) to break a 6-6 tie.

Astros 10, Diamondbacks 5 Kevin Mitchell went 3-for-4 with two RBIs and host Oakland scored five runs in the fifth inning off Arizona's Andy Benes to win its third straight game.

Indians 10, Reds 1 Cleveland evened its intrastate series in front of a rare Cincinnati sellout crowd as Jaret Wright held the Reds to two hits over eight innings and Sandy Alomar drove in three runs.

Expos 7, Devil Rays 5 Montreal scored three runs in the eighth inning for a comeback victory over host Tampa Bay. Brad Fullmer and Rondell White had RBI singles, and Mark Grudzielanek hit an run-scoring groundout in the eighth as the Expos won their fourth straight.

Astros 6, Royals 0 In Houston, Jose Lima pitched a five-hitter for his first career shutout and Craig Biggio hit a two-run homer. Lima (7-2) walked one, struck out seven and got his first career complete game in his 134th start.

Tigers 9, Brewers 3 Bryce Florie pitched seven strong innings against his former team as Detroit beat the Brewers in five years and Sammy Sosa hit his ninth in eight games for the Cubs.

Cubs 7, White Sox 6 In Chicago, pinch-hitter Derrick White hit his first homer in five years and Sammy Sosa hit his ninth in eight games for the Cubs.

Pirates 4, Twins 3 In Pittsburgh, Jason Kendall hit a bases-loaded single in the 12th inning as the Pirates rallied to win their seventh straight game.

Angels 2, Rockies 1 In Anaheim, Garret Anderson's RBI single in the eighth inning broke a tie to give the Angels the victory.

Anheim's starter, Omar Olivares (3-2), allowed one run and seven hits in eight innings. Troy Percival worked the ninth for his 17th save.

Giants 5, Cardinals 4 In St. Louis, Bill Mueller ended another marathon between the Giants and the Cardinals with a 14-inning RBI single that extended San Francisco's winning streak to eight games.

Mark McGwire, who hit his major league-leading 28th home run on Friday, went 0-for-3 with three intentional walks. Brent Mayne walked off Sean Lowe (0-2) to start the 14th and advanced on a sacrifice.

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